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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2020

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **001-36405**

FARMLAND PARTNERS INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of
Incorporation or Organization)

46-3769850

(IRS Employer
Identification No.)

4600 South Syracuse Street, Suite 1450

Denver, Colorado

(Address of Principal Executive Offices)

80237

(Zip Code)

Registrant's Telephone Number, Including Area Code **(720) 452-3100**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name Of Each Exchange On Which Registered
Common Stock, \$0.01 par value per share	New York Stock Exchange
6.00% Series B Participating Preferred Stock, \$0.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2020, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$202,732,210 based on the closing sales price of \$6.85 per share as reported on the New York Stock Exchange. (For purposes of this calculation all of the registrant's directors and executive officers are deemed affiliates of the registrant.)

As of March 15, 2021, the registrant had 30,727,371 shares of common stock (32,207,458 on a fully diluted basis, including 1,480,087 Common Units of limited partnership interests in the registrant's operating partnership) held by non-affiliates of the registrant outstanding for an aggregate market value of \$434,485,026 (\$455,413,456 on a fully diluted basis) based on the closing sales price of \$14.14 on the New York Stock Exchange on March 15, 2021.

Documents Incorporated by Reference

Portions of the registrant's Definitive Proxy Statement relating to its 2021 Annual Meeting of Stockholders are incorporated by reference into Part III of this report. The registrant expects to file its Definitive Proxy Statement with the Securities and Exchange Commission within 120 days after December 31, 2020.

FARMLAND PARTNERS INC.

FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this Annual Report on Form 10-K that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). These forward-looking statements include, without limitation, statements concerning pending acquisitions and dispositions, projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results, future stock repurchases, our dividend policy, future economic performance, crop yields and prices and future rental rates for our properties, ongoing litigation, as well as statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. When we use the words "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" or similar expressions or their negatives, as well as statements in future tense, we intend to identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance, and our actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the impact of the COVID-19 pandemic and efforts to reduce its spread on our business and on the economy and capital markets generally, general volatility of the capital markets and the market price of our common stock, changes in our business strategy, availability, terms and deployment of capital, our ability to refinance existing indebtedness at or prior to maturity on favorable terms, or at all, availability of qualified personnel, changes in our industry, interest rates or the general economy, the degree and nature of our competition, the outcomes of ongoing litigation, our ability to identify new acquisitions or dispositions and close on pending acquisitions or dispositions and the other factors described in the risk factors described in Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2020, and in other documents that we file from time to time with the SEC. Given these uncertainties, undue reliance should not be placed on such statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by law.

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. These summary risks provide an overview of many of the risks we are exposed to in the normal course of our business and which are discussed more fully in "Item 1A. Risk Factors" herein. These risks include, but are not limited to, the following:

- Our business is dependent in part upon the profitability of our tenants' farming operations, and a sustained downturn in the profitability of their farming operations could have a material adverse effect on the amount of rent we can collect and, consequently, our cash flow and ability to make distributions to our stockholders.
- We have a substantial amount of indebtedness outstanding, which may expose us to the risk of default under our debt obligations, restrict our operations and our ability to grow our business and revenues, and restrict our ability to pay distributions to our stockholders.
- Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.
- We are currently subject to, and may in the future be subject to, litigation or threatened litigation, which may divert management time and attention, require us to pay damages and expenses or restrict the operation of our business.

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- Approximately 70% of our portfolio is comprised of properties used to grow primary crops such as corn, soybeans, wheat, rice and cotton, which subjects us to risks associated with primary row crops.
- Investments in farmland used for specialty crops, through participating rent structures, leave us with a heightened exposure to the risks associated with those crops, especially in terms of yield and price volatility, and limited diversification.
- Our failure to continue to identify and consummate suitable acquisitions would significantly impede our growth and our ability to further diversify our portfolio by geography, crop type and tenant, which could materially and adversely affect our results of operations and cash available for distribution to our stockholders.
- We do not intend to continuously monitor and evaluate tenant credit quality and our financial performance may be subject to risks associated with our tenants' financial condition and liquidity position.
- Our short-term leases, albeit an industry standard, make us more susceptible to any decreases in prevailing market rental rates than would be the case if we entered into longer-term leases, which could have a material adverse effect on our results of operations and ability to make distributions to our stockholders.
- We depend on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability to, among other things, acquire additional properties, meet our capital and operating needs or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.
- Some state laws, including in certain states where we own property, prohibit or restrict the ownership of agricultural land by business entities, which could impede the growth of our portfolio and our ability to diversify geographically.
- We may be required to permit the owners of certain third-party access rights on our properties to enter and occupy parts of the properties, including owners of mineral rights and power generation and transportation infrastructure, which could materially and adversely impact the rental value of our properties.
- We may be subject to unknown or contingent liabilities related to acquired properties and properties that we may acquire in the future, which could have a material adverse effect on us.
- Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our operating partnership, which may impede business decisions that could benefit our stockholders.
- Our charter contains certain provisions restricting the ownership and transfer of our stock that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

- We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval, which may delay, defer or prevent a transaction that our stockholders believe to be in their best interests.
- Our Board of Directors may change our strategies, policies and procedures without stockholder approval.
- Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management.
- Failure to maintain qualification as a REIT for U.S. federal income tax purposes would subject us to U.S. federal income tax on our taxable income at regular corporate rates, which would substantially reduce our ability to make distributions to our stockholders.
- Complying with the REIT requirements may cause us to forego otherwise attractive opportunities or sell properties earlier than we wish.
- We may be unable to make distributions at expected levels, which could result in a decrease in the market price of our common stock.

PART I

Item 1. Business

Our Company

References to “we,” “our,” “us” and “our company” refer to Farmland Partners Inc., a Maryland corporation, together with our consolidated subsidiaries, including Farmland Partners Operating Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”), of which we are the sole member of the sole general partner.

We are an internally managed public farmland real estate investment trust, with a portfolio spanning approximately 155,000 acres across 16 states as of December 31, 2020. Our company is currently diversified across more than 100 tenant farmers who grow more than 26 major commercial crops. As of the date of this Annual Report on Form 10-K, approximately 70% of our farmland portfolio (by value) is used to grow primary crops, such as corn, soybeans, wheat, rice and cotton, and the remaining 30% is used to grow specialty crops, such as almonds, citrus, blueberries, vegetables and edible beans. We believe our portfolio gives investors exposure to the increasing global food demand trend in the face of growing scarcity of high quality farmland and reflects the approximate breakdown of U.S. agricultural output between primary crops and animal protein (whose production relies principally on primary crops as feed), on one hand, and specialty crops, on the other.

In addition, under the FPI Loan Program, we make loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related purposes. As of the first quarter of 2021 we are also engaged in farmland asset management on behalf of third parties.

All of our assets are held by, and our operations are primarily conducted through, the Operating Partnership and its wholly owned subsidiaries. As of the date of this Annual Report on Form 10-K, we own 95.4% of the Class A Common units of limited partnership interest in the Operating Partnership (“Common units”) and none of the Series A preferred units of limited partnership interest in the Operating Partnership (“Series A preferred units”) or shares of our 6.00% Series B Participating Preferred Stock (the “Series B Participating Preferred Stock”). Unlike holders of our common stock, holders of Common units, Series A preferred units, and Series B Participating Preferred Stock, generally do not have voting rights or the power to direct our affairs. See Note 9 to our consolidated financial statements for additional information regarding the Series A preferred units and our Series B Participating Preferred Stock.

In addition to farmland, we own improvements on our farms, such as irrigation, drainage and grain storage facilities. We also may acquire properties related to farming, such as stand-alone grain storage facilities, grain elevators, feedlots, processing plants and distribution centers, as well as livestock farms or ranches. In addition, we engage directly in farming through FPI Agribusiness Inc., our taxable REIT subsidiary (the “TRS” or “FPI Agribusiness”), whereby we operate a small number of acres (approximately 3,676 acres during 2020) relying on custom farming contracts with local farm operators.

Some of our real estate is used for solar and wind energy production by operators with long term leases on our properties. Currently, fourteen of our farms have leases for renewable energy production, and seven of our farms have lease options for potential future solar or wind development.

Our principal source of revenue is rent from tenants that conduct farming operations on our farmland. The majority of the leases in place as of the date of this Annual Report on Form 10-K have fixed annual rental payments. Some of our leases have a variable rent component based on the revenue generated by our farm-operator tenants. We believe that this mix of fixed and variable rents helps insulate us from the variability of farming operations and reduce our credit-risk exposure to farm-operator tenants, while generating attractive risk-adjusted returns and making us an attractive landlord in certain regions where variable leases are customary. However, we may be exposed to tenant credit risk and farming operation risks, particularly with respect to leases that do not require advance payment of at least 50% of the annual rent, leases for which the rent is based on a percentage of a tenant's farming revenues, and leases with terms greater than one year.

We elected and qualified to be taxed as a real estate investment trust (“REIT”), under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with our short taxable year ended December 31, 2014.

Full Year 2020 and Recent Highlights

During 2020:

- Operating revenues decreased 5.4% from 2019 for a total of \$50.7 million as compared to 2019 operating revenues of \$53.6 million;
- Operating income decreased 15.2% from 2019 for a total of \$22.3 million as compared to 2019 net operating income of \$26.3 million;
- Net income decreased 49.3% from 2019 for a total of \$7.5 million as compared to 2019 net income of \$14.9 million;
- Adjusted Funds from Operations (“AFFO”) decreased 59.5% from 2019 for a total of \$1.8 million as compared to 2019 AFFO of \$4.4 million;
- We completed three asset acquisitions for total gross consideration of \$1.4 million;
- We completed seven dispositions consisting of eleven farms for total gross consideration of \$20.5 million resulting in an aggregate gain on sale of \$3.2 million;
- We repurchased approximately 1.0 million shares of our common stock at a weighted average price of \$6.59 per share, or approximately \$6.8 million in the aggregate; and
- We repurchased approximately 140,000 shares of our Series B Participating Preferred Stock at a weighted average price of \$22.08 per share, or approximately \$3.1 million in the aggregate.

For a definition of AFFO and a reconciliation of net income to AFFO, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures.”

Investment Focus

We seek to invest in farmland that will give our stockholders exposure to a well-diversified portfolio of high-quality U.S. farmland, while offering an attractive risk-adjusted combination of stable rental income generation and value appreciation. Our principal investment focus is on farmland located in agricultural markets throughout North America; however, we may seek to acquire farmland outside of North America in the future. We also may acquire properties related to farming, such as grain storage facilities, grain elevators, feedlots, cold storage facilities, processing plants and distribution centers, as well as livestock farms or ranches. In addition, under the FPI Loan Program, we may provide loans to farm operators secured by farmland, properties related to farming, crops (growing or stored), and/or agricultural equipment. We may also invest in other agriculture related business, typically through our TRS.

Crop Categories

Primary vs Specialty Crops

Farm crops generally can be divided into two principal categories: primary crops and specialty crops. Primary crops include, among others, corn, soybeans, wheat, rice and cotton. Specialty crops can be again divided into two categories: annual specialty crops (generally vegetables) and permanent specialty crops (fruits and nuts grown on trees, bushes or vines). Over the long term, we expect that our farmland portfolio will continue to be comprised of approximately 70% primary crop farmland and 30% specialty crop farmland by value, which we believe will give investors exposure to the increasing global food demand trend in the face of growing scarcity of high quality farmland and will reflect the approximate composition of U.S. agricultural output between primary crops and animal protein (whose production relies principally on primary crops as feed), on one hand, and specialty crops, on the other.

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Annual vs. Permanent Crops

Our portfolio includes farms that produce both annual and permanent crops. Annual crops are planted every year whereas permanent crops, such as trees, bushes and vines, are planted and bear crops over multiple years. We believe exposure to both annual and permanent crops is an attractive strategy and offers diversification benefits to our portfolio. Annual and permanent crops typically serve different end-markets and generally have uncorrelated pricing.

U.S. Farmland Property

We believe that the United States offers farmland investors exposure to financial benefits driven by the fundamentals of agricultural production and farmland appreciation without many of the risks that come with farmland investments in many other countries. In the United States, the farmland market is relatively liquid and there is virtually no land title risk. The United States has the largest, lowest-cost grain transportation infrastructure in the world, leaving more margin to the grain producer and landowner. Moreover, the United States is one of the largest domestic markets for commodity crops, which are typically priced in U.S. dollars. Lastly, we believe that in most major U.S. agricultural markets, multiple quality farm-operator tenants compete for farmland lease opportunities.

We may consider investing in farmland in other countries that, like the United States, offer virtually no land title risk, a sophisticated farm-operator tenant environment and attractive rental rates, such as Canada, Australia or New Zealand.

Leased Properties

Farming carries materially more operating risk than owning and leasing farmland, although such risk can be mitigated through crop insurance and other risk management tools. We expect to continue to lease a majority of our properties on a fixed-rent basis that does not depend on the success of the tenant's farming operations. Moreover, a majority of the leases in our portfolio provide that at least 50% (and often 100%) of the annual rent is due and payable in advance of each spring planting season, and we expect that a majority of the fixed-rent leases we enter into in the future will have a similar requirement, which reduces our credit-risk exposure in the event of operational issues with the farm-operator tenant. However, to the extent we enter into leases that do not require advance payment of 100% of the annual rent or have terms greater than one year, we may be subject to tenant credit risk and more susceptible to the risks associated with declines in the profitability of tenants' farming operations, and we take such risk into consideration when evaluating the potential return on a farm. We may use variable-rent leases, which depend in part on crop yields and prices, in regions where such arrangements are prevalent or when we expect that such arrangements will be more profitable to us on a risk-adjusted basis. We also may utilize hybrid lease arrangements that require a modest rent payment at lease inception and an additional rent payment based on a percentage of the revenue from the tenant's harvest for that year.

We expect to continue to lease the majority of our primary crop farmland and other farming related properties under leases that require the tenant to either pay or reimburse us for substantially all of the property's operating expenses, including maintenance, water usage and insurance. Consistent with industry practices, we expect that we will generally be responsible for plantings and associated improvements on our permanent crop farmland while our tenants will be responsible for all operating costs. Several of our leases provide for the reimbursement by the tenant of the property's real estate taxes that we pay in connection with the farms they rent from us. The rental payments we receive from the farm operators are the primary source of any distributions that we make to our stockholders.

We expect that over time rental income will increase. Most farmland in the areas where we own or intend to acquire land is leased under short-term leases (typically five years or less), and we plan to lease our properties under short-term leases when possible. By entering into short-term leases, we believe we will be in a position to increase our rental rates when the leases expire and are renewed or the land is re-leased, if prevailing rental rates have increased. However, we can provide no assurances that we will be able to increase our rental rates, or even maintain them at the same level, when the leases are renewed or the land is re-leased.

We believe quality farmland has a near-zero vacancy rate, and we believe that high-quality farmland in an area with a competitive tenant environment is generally leased and farmed each year. For leases that provide that a substantial portion of rental payments for a crop year are due in advance of the spring planting season, in the event of a tenant's failure to pay

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rent when due, we will seek to terminate the lease and rent the property to another tenant that could then plant and harvest a crop that year. As a result, we believe there is a reduced risk of vacancy on our properties when compared to most other types of commercial properties, such as office buildings or retail properties.

Tenants

We believe the areas where we own and intend to acquire farmland are characterized by a competitive farm-operator tenant environment, with multiple experienced farm operators seeking to expand their operations by leasing additional farmland.

Non-Farming Leases

In addition to leases entered into in connection with farming operations, we seek additional sources of income from our properties that are either incremental, such as wind easements and recreational leases, or are higher than farming rents, such as leases for solar power installations. While we do not believe that such other sources of income will constitute a significant percentage of our total revenues, they offer opportunities to enhance returns to stockholders at little or no cost to us.

Family-Owned Properties

According to the USDA, as of 2019, approximately 98% of farms in the United States were owned by families. We believe that many farm families and individuals may wish to simultaneously sell some of their property and lease it back, continuing their operation of such property under a leasing arrangement. Sellers in these sale-leaseback transactions can use the sale proceeds to repay existing indebtedness, for growth of their farming operations or in other business endeavors. Under some circumstances, these sale-leaseback transactions might be driven by estate planning reasons. We believe that the farmland that we acquire and do not simultaneously lease back to the seller can be leased at attractive rental rates to other farm operators.

As an alternative to selling their farmland to us in an all-cash transaction, we believe that many farm owners may be interested in selling their farmland to us in exchange for Partnership units in order to have an equity interest in our company and participate in any appreciation in value of our properties. By making such an exchange, these farm owners would become investors in a more diversified portfolio of agricultural real estate. Under certain circumstances, the exchange of real estate for Partnership units is a tax-deferred exchange under U.S. federal income tax laws. In addition, because we intend to make cash distributions quarterly or annually, Partnership unit holders would receive regular cash distributions. Finally, Partnership unit holders would have the flexibility to tender their Partnership units in the future for redemption by us for cash, or, at our election, shares of our common stock that they could then sell in the public market, thereby allowing these sellers to determine the timing of recognizing taxable gain. Because we expect the issuance of Partnership units in exchange for farmland generally will be driven by the desires of prospective sellers, we do not know how frequently we will issue Partnership units in exchange for farmland properties. However, we believe that using Partnership units as acquisition consideration can be a significant part of our property acquisition strategy.

Other Investments

In addition to farmland, we also may acquire properties related to farming, such as grain storage facilities, grain elevators, feedlots, cold storage facilities, processing plants and distribution centers, as well as livestock properties.

Underwriting Criteria and Due Diligence Process

Selecting the Property

We seek to acquire high quality farmland that offers an attractive risk-adjusted balance of current returns and appreciation potential. We believe our management team's deep understanding of agribusiness fundamentals and insight into factors affecting the value of farmland allow us to identify properties consistent with our investment criteria. We believe the following factors are important in the selection of farmland:

- *Soil Quality*—Soil quality is a fundamental determinant of farmland productivity and therefore of its value. In considering farmland for purchase, we take soil quality into consideration to determine whether the farmland is attractively priced. In general, we focus on farmland with average or better-than-average soil.
- *Water Availability*—Appropriate water availability is an essential input to farming and key consideration in determining the productivity and value of farmland. We seek to acquire farmland where water availability through precipitation and irrigation meets the agronomic needs of the crops expected to be grown. As part of our acquisition due diligence process, we evaluate properties for water availability and any associated ground or surface water rights. Where appropriate, we may also invest in irrigation infrastructure to improve the productivity of properties we own. Occasionally we may acquire farmland at prices that more than compensate us for any potential reduction in water availability, which, in the future may result in a shift to different crops or production systems.
- *Robust and Competitive Tenant Environment*—We focus primarily on farmland located in areas characterized by a robust and competitive tenant environment, with a relatively large population of experienced farm operators as potential tenants.
- *Market Access*—Due to the higher costs of road transportation, the location of primary crop farmland relative to points of demand (e.g., grain elevators, feedlots and ethanol plants) or access to low-cost transportation (e.g., river ports and rail loading facilities) determines the premium or discount in farm-gate commodity prices compared to the general market prices (also known as “basis”), and therefore is one of the factors that impacts its value. We focus on acquiring primary crop farmland in areas with substantial farming infrastructure and low transportation costs, including markets with access to river and rail transportation.
- *Climate*—Crops have particular climatic growing requirements. As such, we seek to acquire properties in regions with climates conducive to the expected crops. We believe that diversification within and across core farming regions and crop types provides significant annual and long-term risk mitigation to our investors.

We perform a due diligence review with respect to each potential property acquisition. The due diligence investigation includes both property-specific factors (e.g., soil types and fertility, water availability and rights, topographical characteristics and property taxes) and location-specific factors (e.g., climate, tenant availability and quality, and market access). As part of our due diligence process, we also perform a valuation of each target property and estimate expected lease rates.

Selecting Tenants

We intend to continue to focus primarily on farm properties located in areas with a robust and competitive environment of experienced tenants. In general, the tenant selection process focuses primarily on candidates' experience and reputation based upon background and reference checks, as well as their willingness and ability to pay competitive rental rates. We consider similar factors in analyzing sale-leaseback transactions. In geographic areas where we already own one or more properties, we may give our existing local tenants priority consideration, especially in exchange for sourcing a property acquisition opportunity. We often mitigate tenant credit risk by requiring a significant portion of a year's rent in advance of each planting season whenever possible, by requiring a tenant to adopt crop insurance, and/or by securing agricultural or statutory liens on growing crops. In addition, we monitor our existing tenants by periodically conducting site visits of the farms and meeting with the tenants to discuss their farming operations and the condition of the farms. However, in

some circumstances, we may be exposed to tenant credit risk and may be subject to farming operation risks, such as adverse weather conditions and declines in commodity prices, particularly with respect to leases that do not require advance payment of 100% of the annual rent, variable-rent leases for which the rent is based on a percentage of a tenant's farming revenues and leases with terms greater than one year. See "Risk Factors—Risks Related to Our Business and Properties." We do not intend to continuously monitor and evaluate tenant credit quality and may be subject to risks associated with our tenants' financial condition and liquidity position.

Complementary Businesses

FPI Loan Program

We believe that our existing systems and personnel are well suited to source, diligence, close and manage loans under the FPI Loan Program at little or no additional cost to us. We believe that the business of making loans to farm operators secured by farmland, properties related to farmland, crops (growing or stored), and/or agricultural equipment is highly complementary to, and synergistic with, our core business of investing in farmland. We generally find potential borrowers during the process of sourcing farm acquisitions. We conduct due diligence on loan collateral largely the same way we conduct due diligence on potential farm acquisitions, and we screen potential borrowers using criteria similar to those used to screen potential tenants. The FPI Loan Program offering gives us an increased visibility in the marketplace, thereby benefiting our core farmland investing business.

Asset Management for Third Parties

We believe that our existing systems and personnel are well suited to source, diligence, close and manage farmland on behalf of third parties at little or no additional cost to us, generating fee income that does not tie up our own capital. We started engaging in this business though our TRS in the first quarter of 2021, when we entered into an agreement to manage a portfolio of properties located in opportunity zones.

Seasonality

Because the leases for many of the properties in our portfolio require significant payments in advance of the spring planting season, we receive a significant portion of our fixed cash rental payments in the first calendar quarter of each year, although we recognize rental revenue from these leases on a pro rata basis over the non-cancellable term of the lease in accordance with GAAP. We receive a significant portion of our variable rental payments in the fourth calendar quarter of each year, following harvest, with only a portion of such payments being recognized ratably through the year in accordance with GAAP, in relation to crop insurance contracts entered into by our tenants. The highly seasonal nature of the agriculture industry causes seasonality in our business to some extent. Our financial performance should be evaluated on an annual basis, which eliminates quarterly performance variability due to crop share revenues, lease periods not matching fiscal years, and other similar factors that may cause our quarterly results to vary during the course of the year.

Our Properties

As of the date of this Annual Report on Form 10-K, we own approximately 150,000 total acres of farmland. During the year ended December 31, 2020, the Company completed three acquisitions in Illinois and Michigan, which were accounted for as asset acquisitions. Consideration totaled \$1.4 million and was comprised of cash and reduction of notes receivable. Also during the year ended December 31, 2020, the Company completed seven dispositions consisting of eleven farms in Illinois, Mississippi, Texas, Nebraska, and Arkansas. Cash receipts on these dispositions totaled \$20.1 million with a total gain on sale of \$3.2 million. On January 20, 2021, we entered into an agreement with Promised Land Opportunity Zone Farms I, LLC (the "OZ Fund") to sell, throughout 2021, twelve farms located in opportunity zones as designated by the Tax Cuts and Jobs Act of 2017, and to provide farm management services on the farms for the OZ Fund in exchange for management fees going forward. On March 5, 2021, the Company completed the sale of nine farms to the OZ Fund. These sales are not reflected in the table below. See "Managements' Discussion and Analysis of Financial Condition and Results of Operations" for more information about our portfolio. The distribution of farms by regions is as follows:

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Region	Total Acres
Corn Belt	43,326
Delta and South	26,535
High Plains	29,566
Southeast	43,498
West Coast	11,586
	<u>154,511</u>

Corn Belt includes farms located in Illinois, Michigan and eastern Nebraska. Delta and South includes farms located in Arkansas, Louisiana and Mississippi. High Plains includes farms located in Colorado, Kansas, western Nebraska, and South Dakota. Southeast includes farms located in Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia. West Coast includes farms located in California.

As of the date of this Annual Report on Form 10-K, our portfolio has the following rents or rent estimates for 2021 by lease type or status. This table does not include additional rents from properties not yet put in service due to improvement projects, loan interest income from loans outstanding under the FPI Loan Program, and other revenues:

(<i>\$ in thousands</i>) Lease Type or Status - as of the date of this Annual Report	2021 Rent	%
Leases in place with third parties		
Fixed rent ⁽¹⁾	\$ 31,335	73.0 %
Variable rent ⁽²⁾	11,072	25.8 %
Leases being negotiated ⁽³⁾	517	1.2 %
Tenant Reimbursements	\$ 42,924	100.0 %
	4,005	
	<u>46,929</u>	

- (1) Includes the fixed rent portion of leases providing for fixed and variable rent components.
- (2) Management estimate based on farms' historical productivity and regional crop price projections. We can provide no assurance that crop yields and prices will reach expected levels or that we will obtain the rents we anticipate.
- (3) Management's estimate based on the current status of lease negotiations and the current leasing market environment for each farm. We can provide no assurance that the rents we obtain will reflect the current status of our lease negotiations or the current leasing market environment for each farm.

Tax Status

We elected and qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our short taxable year ended December 31, 2014. Our qualification as a REIT will depend upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code, relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our capital stock. We believe that we are organized in conformity with the requirements for qualification as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT for U.S. federal income tax purposes.

As a REIT, we generally are not subject to U.S. federal income tax on our taxable income that we distribute to our stockholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute on an annual basis at least 90% of their REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. If we fail to qualify for taxation as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income for that year will be subject to tax at regular corporate rates, and we would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state and local taxes on our income and assets and to U.S. federal income and excise taxes on our undistributed income. Additionally, any income earned by FPI Agribusiness Inc., our taxable REIT subsidiary, and any other taxable REIT subsidiaries that we form or acquire in the future will be fully subject to U.S. federal, state and local corporate income tax.

Insurance

Under the terms and conditions of the leases on our current properties, tenants are generally required, at their expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies and to name us an additional insured party. These policies include liability coverage for bodily injury and property damage arising out of the ownership, use, occupancy or maintenance of the properties and all of their appurtenant areas. In addition to our tenants' insurance policies under which we will be an additional insured party, we also maintain comprehensive liability and casualty insurance covering all of our properties under a blanket insurance policy, which provides coverage to the extent there is insufficient coverage under our tenants' policies. The terms of leases that include variable rent payments generally require the tenant to carry crop insurance protecting against crop failures and crop price declines.

Regulation

Farming Regulations

The farmland that we own and intend to acquire is used for growing crops and is subject to the laws, ordinances and regulations of state, local and federal governments, including laws, ordinances and regulations involving land use and usage, water rights, treatment methods, disturbance, the environment and eminent domain.

Farmland is principally subject to environmental and agricultural laws, ordinances and regulations. Each governmental jurisdiction has its own distinct laws, ordinances and regulations governing the use of farmland. Many such laws, ordinances and regulations seek to regulate water usage and water runoff because water can be in limited supply, as is the case where certain of the properties in our portfolio are located.

All of the farms in our portfolio have sources of water, including expected precipitation, wells and/or surface water, that currently provide sufficient amounts of water necessary for the current farming operations at each location. However, should the need arise for additional water from wells and/or surface water sources, such permits and approvals may be difficult to obtain in areas with limited supply of available water. We believe that as of the date of this Annual Report on Form 10-K our farms are in compliance with applicable state, county and federal environmental and agricultural regulations.

In addition to the regulation of water usage and water runoff, state, local and federal governments also seek to regulate the type, quantity and method of use of chemicals and materials for growing crops, including fertilizers, pesticides and nutrient rich materials. Such regulations could include restricting or preventing the use of such chemicals and materials near residential housing or near water sources. Further, some regulations have strictly forbidden or significantly limited the use of certain chemicals and materials.

As an owner of farmland, we may be liable or responsible for the actions or inactions of our tenants with respect to these laws, regulations and ordinances.

Real Estate Industry Regulation

Generally, the ownership and operation of real properties is subject to various laws, ordinances and regulations, including regulations relating to zoning, land use, water rights, wastewater, storm water runoff and lien sale rights and procedures. These laws, ordinances or regulations, such as the Comprehensive Environmental Response and Compensation Liability Act ("CERCLA") and its state analogs, or any changes to any such laws, ordinances or regulations, could result in or increase the potential liability for environmental conditions or circumstances existing, or created by tenants or others, on our properties. Laws related to upkeep, safety and taxation requirements may result in significant unanticipated expenditures, loss of our properties or other impairments to operations, any of which would adversely affect our cash flows from operating activities.

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Environmental Matters

As an owner of real estate, we will be subject to various federal, state and local environmental laws, regulations and ordinances and also could be liable to third parties resulting from environmental contamination or noncompliance at our properties. Environmental laws often impose liability without regard to whether the owner or operator knew of or was responsible for the presence of the contaminants. The costs of any required investigation or cleanup of these substances could be substantial. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties also may expose us to third-party liability for personal injury or property damage or adversely affect our ability to lease the real property or to borrow using the real estate as collateral. These and other risks related to environmental matters are described in more detail in "Item 1A. Risk Factors."

Environmental, Social and Governance ("ESG")

We believe a commitment to ESG supports our business model, promotes environmental stewardship, sustains a safe and healthy workplace, and upholds high standards of business ethics and conduct.

Environmental Sustainability

Farmland is one of the most environmentally friendly uses of real estate, as agriculture naturally uses solar energy to capture carbon dioxide from the atmosphere and convert it into food, feed, fuel, and fiber. Principles of environmental sustainability are deeply interwoven into modern agricultural practices, and are embedded into our farmland acquisition criteria and management practices. We foster long term relationships with our tenants, who are incentivized to provide good stewardship for the land they rent from us. Renewable energy generation (wind and solar) is a component of our business model of growing importance.

Social Impact and Company Culture

Farmland creates a more sustainable future for all by affordably feeding the world's growing population and supplying food products that support better nutrition, both quantitatively and qualitatively. We are a channel to bring capital, and therefore economic activity, to rural communities throughout the United States. We foster a company culture based on open communication and professional growth, and support employees engaged with non-profit organizations.

Governance Fiduciary Duties and Ethics

We recognize that transparency and employing an array of best practices in corporate governance better serves all stakeholders. Our board of directors, management team and employees maintain the highest ethical standards across our processes, business practices, and policies.

ESG Strategy

Going forward, we intend to maintain and expand our focus on ESG principles already embedded in our culture, policies and practices, gradually implementing efforts to measure, improve and communicate our performance. We expect our ESG objectives and the resources allocated to ESG matters will continue to evolve over time as we assess strategies that are most appropriate for our organization.

Competition

Competition to acquire farmland can come from many different entities. Individual farmers are the most active buyers of farmland. Institutional investors, investment funds, other farmland REITs, individual investors and others also compete for farmland acreage. Investment firms that we might compete directly against could include agricultural investment firms such as Westchester Agriculture Asset Management (a TIAA company), Hancock Agricultural Investment Group, International Farming Corporation, Ceres Partners, Gladstone Land Corp, and UBS Agrivest. These firms engage in the acquisition, asset management, valuation and disposition of farmland properties.

Human Capital Resources

Our employees are vital to our success. Our goal is to ensure that we have the right talent, in the right place, at the right time. We do that through our commitment to attracting, developing and retaining our employees.

We have designed a compensation structure, including an array of benefit and long term incentive plans, that we believe is attractive to our current and prospective employees. We also offer employees the opportunity to participate in conferences and continuing education.

We seek to retain our employees by using their feedback to create and continually enhance programs that support their needs. We have a formal performance review process for our employees. We have a values-based culture, an important factor in retaining our employees. We are committed to having a diverse workforce, and an inclusive work environment is a natural extension of our culture.

At March 15, 2021, we had 14 employees, 11 of which are full time. None of our employees are a member of a labor union.

Corporate Information

Our executive offices are located at 4600 South Syracuse Street, Suite 1450, Denver, Colorado 80237. Our telephone number at our executive offices is (720) 452-3100 and our corporate website is www.farmlandpartners.com. The information on, or accessible through, our website is not incorporated into and does not constitute a part of this Annual Report on Form 10-K or any other report or document we file with or furnish to the SEC.

Available Information

We file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports with the SEC. You may obtain copies of these documents by accessing the SEC's website at www.sec.gov. In addition, as soon as reasonably practicable after such materials are furnished to the SEC, we make copies of these documents available to the public free of charge through our website or by contacting our Secretary at the address set forth above under "—Corporate Information."

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters of our audit committee, compensation committee, and nominating and corporate governance committee are all available in the Governance Documents section of the Corporate Information section of our website. The information accessible on our website is not incorporated in, nor should be considered a part of, this Annual Report on Form 10-K.

Financial Information

For required financial information related to our operations, please refer to our consolidated financial statements, including the notes thereto, included within this Annual Report on Form 10-K.

Item 1A. Risk Factors

Set forth below are the risks that we believe are material to our stockholders. You should carefully consider the following risks in evaluating our Company and our business. The occurrence of any of the following risks could materially adversely impact our financial condition, results of operations, cash flow, the market price of shares of our common stock and preferred stock and our ability to, among other things, satisfy our debt service obligations and to make distributions to our stockholders, which in turn could cause our stockholders to lose all or a part of their investment. Some statements in this report including statements in the following risk factors constitute forward-looking statements. Please refer to the section entitled "Special Note Regarding Forward-Looking Statements" at the beginning of this Annual Report on Form 10-K.

Risks Related to Our Business and Properties

Our business is dependent in part upon the profitability of our tenants' farming operations, and a sustained downturn in the profitability of their farming operations could have a material adverse effect on the amount of rent we can collect and, consequently, our cash flow and ability to make distributions to our stockholders.

We depend on our tenants to operate the farms we own in a manner that generates revenues sufficient to allow them to meet their obligations to us, including their obligations to pay rent and real estate taxes, maintain certain insurance coverage and maintain the properties generally. The ability of our tenants to fulfill their obligations under our leases depends, in part, upon the overall profitability of their farming operations, which could be adversely impacted by, among other things, adverse weather conditions, crop prices, crop disease, pests, and unfavorable or uncertain political, economic, business, trade or regulatory conditions. We are susceptible to any decline in the profitability of our tenants' farming operations, to the extent that it would impact their ability to pay rents. In addition, many farms are dependent on a limited number of key individuals whose injury or death may affect the successful operation of the farm. We can provide no assurances that, if a tenant defaults on its obligations to us under a lease, we will be able to lease or re-lease that farm on economically favorable terms in a timely manner, or at all. In addition, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment.

As a result, any downturn in the profitability of the farming operations of our tenants or a downturn in the farming industry as a whole could have a material adverse effect on our financial condition, results of operations, cash flow and ability to make distributions to our stockholders.

We have a substantial amount of indebtedness outstanding, which may expose us to the risk of default under our debt obligations, restrict our operations and our ability to grow our business and revenues and restrict our ability to pay distributions to our stockholders.

As of December 31, 2020, we had approximately \$508.2 million of outstanding indebtedness, most of which is secured by mortgages on our farms. We intend to incur additional debt in connection with refinancings of existing indebtedness, future acquisitions or for other purposes and, if necessary, we may borrow funds to make distributions to our stockholders in order to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes. On January 29, 2021, the Company entered into an agreement with Farm Credit Mid-America to extend the maturities on our \$112.0 million of outstanding debt maturing on January 1, 2022, to April 1, 2022. In addition, we have sold farms in order to repay indebtedness in the past and may do so in the future. Such dispositions may come at inopportune times or on disadvantageous terms, which could result in losses.

In addition, our debt agreements include customary events of default, the occurrence of any of which, after any applicable cure period, would permit the lenders to, among other things, accelerate payment of all amounts outstanding under the loans and to exercise their remedies with respect to the collateral, including foreclosure and sale of the agricultural real estate securing the loans. Certain of our debt agreements also contain cross-default provisions that give the lender the right, in certain circumstances, to declare a default if we are in default under other loans. If we default on our debt coming due in 2022, it could cause the acceleration of a significant portion of our indebtedness as a result of these cross-default provisions. If any one of these events were to occur, our financial condition, results of operations, cash flow and ability to pay distributions to our stockholders could be materially and adversely affected.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

As of December 31, 2020, we had approximately \$508.2 million of outstanding mortgage indebtedness excluding debt issuance costs. We intend to finance future property acquisitions, in part, with mortgage indebtedness. Mortgage and other secured debt obligations increase our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt.

secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

Our debt financing agreements restrict our ability to engage in certain business activities, including our ability to incur additional indebtedness, make capital expenditures and make certain investments.

Our existing debt financing agreements contain, and other debt financing agreements we may enter into in the future may contain, customary negative covenants and other financial and operating covenants that, among other things:

- restrict our ability to incur additional indebtedness;
- restrict our ability to incur additional liens;
- restrict our ability to make certain investments (including certain capital expenditures);
- restrict our ability to merge with another company;
- restrict our ability to sell or dispose of assets;
- restrict our ability to make distributions to stockholders; and
- require us to satisfy minimum financial coverage ratios, minimum tangible net worth requirements and maximum leverage ratios.

We are currently subject to, and may in the future be subject to, litigation or threatened litigation, which may divert management time and attention, require us to pay damages and expenses or restrict the operation of our business.

We are currently subject to, and may be subject in the future, to litigation or threatened litigation, including claims relating to the actions of our tenants, claims brought by stockholders, and otherwise in the ordinary course of business. In particular, we are subject to the risk of complaints by our tenants involving premises liability claims and alleged violations of landlord-tenant laws, which may give rise to litigation or governmental investigations, as well as claims and litigation relating to real estate rights or uses of our properties. We are also subject to shareholder litigation and subject to a risk of additional shareholder litigation in the future. Some of the pending and potential future claims against the company may result in significant defense costs and potentially significant judgments against us, some of which are not, may not be, or cannot be, insured against. Additionally, whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from our management's ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant, or involve our agreement with terms that restrict the operation of our business. We generally intend to vigorously defend ourselves; however, we cannot be certain of the ultimate outcomes of pending claims against the Company or of those claims that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage and could expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors, which could adversely impact our results of operations, cash flows and our ability to pay distributions on, and the value of, our common and preferred stock. For more information about our ongoing legal proceedings, see Item 3, Legal Proceedings, included elsewhere in this Annual Report on Form 10-K.

Approximately 70% of our portfolio is comprised of properties used to grow primary crops such as corn, soybeans, wheat, rice and cotton, which subjects us to risks associated with primary row crops.

By value, approximately 70% of our portfolio is used for primary crops, such as corn, soybeans, wheat, rice and cotton. As a result, any development or situation that adversely affects the value of properties generally or the prices of corn, soybeans, wheat, rice or cotton could have a more significant adverse impact on us than if our portfolio had less exposure to primary crops, which could materially and adversely impact our financial condition, results of operations and ability to make distributions to our stockholders.

Investments in farmland used for permanent/specialty crops have a different risk profile than farmland used for annual row crops.

By value, approximately 30% of our portfolio is used for permanent crops, and, in the future, we may add to our investments in farmland used for permanent crops, as opposed to annual row crops. Permanent crops have plant structures (such as trees, vines or bushes) that produce yearly crops without being replanted. Examples include blueberries, oranges, apples, almonds and grapes. Permanent crops require more time and capital to plant and bear fruit and are more expensive to replace. If a farmer loses a permanent/specialty crop to drought, flooding, fire or disease, there generally would be significant time and capital needed to return the land to production because a tree or vine may take years to grow before bearing fruit.

Permanent crop plantings also reduce a farmer's ability to adapt to changing market conditions by changing crops. If demand for one type of permanent crop decreases, the permanent crop farmer cannot easily convert the farm to another type of crop because permanent crop farmland is dedicated to one crop during the lifespan of the trees or vines and therefore cannot easily be rotated to adapt to changing environmental or market conditions.

Our failure to continue to identify and consummate suitable acquisitions would significantly impede our growth and our ability to further diversify our portfolio by geography, crop type and tenant, which could materially and adversely affect our results of operations and cash available for distribution to our stockholders.

Our ability to expand through acquisitions is important to our business strategy and requires that we identify and consummate suitable acquisition or investment opportunities that meet our investment criteria and are compatible with our growth strategy. We compete for the acquisition of farmland and properties related to farming with many other entities engaged in agricultural and real estate investment activities, including individual and family operators of farming businesses, corporate agriculture companies, financial institutions, institutional pension funds, public REITs, other real estate companies, private equity funds and other private real estate investors. These competitors may prevent us from acquiring desirable properties or may cause an increase in the price we must pay for such properties. Our competitors may adopt transaction structures similar to ours, which would decrease our competitive advantage in offering flexible transaction terms. In addition, the number of entities and the amount of funds competing for suitable investment properties may increase, resulting in increased demand and increased prices paid for these properties. If we pay higher prices for properties, our profitability may decrease, and you may experience a lower return on your investment. Our failure to identify and consummate suitable acquisitions would significantly impede our growth, which would adversely affect our results of operations and cash available for distribution to our stockholders.

Failure to succeed in new markets may have adverse consequences.

We intend to continue to acquire properties across the U.S. and may from time to time evaluate potential international acquisitions. When we acquire properties located in new geographic areas in the U.S. or internationally, or properties primarily devoted to a crop or industry with which we are less familiar (such as certain specialty crops, energy production, dairy farms or hog farms), we may face risks associated with a lack of market knowledge or understanding of the local market, including the availability and identity of quality tenants, forging new business relationships in the area, developing an understanding of a crop or industry unfamiliar to us, and unfamiliarity with local or crop-specific government requirements and procedures. Furthermore, the negotiation of a potential expansion into new markets or industries may divert management time and other resources. As a result, we may have difficulties executing our business strategy in these new markets, which could have a negative impact on our results of operations and ability to make distributions to our stockholders.

We do not intend to continuously monitor and evaluate tenant credit quality and our financial performance may be subject to risks associated with our tenants' financial condition and liquidity position.

Certain of our leases do not require the full payment of rent in cash in advance of the planting season, which subjects us to credit risk exposure to our farm-operator tenants and the risks associated with farming operations, such as weather, commodity price fluctuations and other factors. We also are exposed to these risks with respect to leases for which the rent is based on a percentage of a tenant's farming revenues and leases with terms greater than one year. Because we do not intend to monitor and evaluate the credit risk exposure related to farm-operator tenants on an ongoing basis, we are subject

to the risk that our tenants, particularly those that may depend on debt and leverage to finance their operations, could be susceptible to bankruptcy in the event that their cash flows are insufficient to satisfy their financial obligations, including meeting their obligations to us under their leases. As a result, we may not become aware of a tenant's financial distress until the tenant fails to make payments to us when due, which may significantly reduce the amount of time we have to evict the tenant and re-lease the farmland to a new tenant before the start of the spring planting season, and in the event of a tenant bankruptcy we may not be able to terminate the lease. If we are unable to re-lease the farmland on a timely basis, it could have a material adverse effect on our revenues.

Our short-term leases, albeit an industry standard, make us more susceptible to any decreases in prevailing market rental rates than would be the case if we entered into longer-term leases, which could have a material adverse effect on our results of operations and ability to make distributions to our stockholders.

Our leases with tenants engaged in farming operations have terms customary in the farming industry, ranging mostly from two to three years for row crops and one to seven years for permanent crops, with some permanent crop leases exceeding twenty years. We expect that most of the leases we enter into in the future will have two to seven-year terms. As a result, we are required to frequently re-lease our properties upon the expiration of our leases, which will make us more susceptible to declines in market rental rates than we would be if we were to enter into longer term leases. As a result, any decreases in the prevailing market rental rates in the geographic areas in which we own properties could have a material adverse effect on our results of operations and ability to make distributions to our stockholders.

We may be unable to collect balances due on our leases from any tenants in financial distress or bankruptcy, which could materially and adversely affect our financial condition, results of operations and cash flow.

We are subject to tenant credit risk. Our tenants, particularly those that may depend on debt and leverage, could be susceptible to defaults under their leases or bankruptcy in the event that their cash flows are insufficient to satisfy their financial obligations. Certain of our tenants have defaulted on their lease payments, and we have been forced to pursue alternative arrangements with those tenants in order to recover amounts due under the leases. In the future, we may be forced to enter into similar alternative arrangements or pursue litigation in order to collect payments from tenants who are unable to make their lease payments as they come due. We can provide no assurances that we will be able to collect the full amount due under a particular lease if we are forced to pursue alternative payment arrangements or litigation with any of our tenants.

If a bankrupt tenant rejects a lease with us, any claim we might have for breach of the lease, excluding a claim against collateral securing the lease, would be treated as a general unsecured claim. In the event of a tenant's default under its lease or its rejection of the lease in bankruptcy proceedings, we may be unable to locate a replacement tenant in a timely manner or on comparable or better terms. As a result, our financial condition, results of operations and ability to make distributions to our stockholders could be adversely affected.

We depend on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability to, among other things, acquire additional properties, meet our capital and operating needs or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

In order to maintain our qualification as a REIT, we are required under the Code to, among other things, distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including acquisition opportunities and principal and interest payments on any outstanding debt, from operating cash flow. Consequently, we rely on third-party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms, in the time period we desire, or at all. Any debt we incur will increase our leverage, expose us to the risk of default and may impose operating restrictions on us, and

any additional equity we raise (including the issuance of Common or preferred units) could be dilutive to existing stockholders. Our access to third-party sources of capital depends, in part, on:

- general market conditions, including conditions that are out of our control, such as actions or proposed actions of the new U.S. Presidential administration, the impact of health and safety concerns, such as the ongoing coronavirus pandemic;
- novel and unforeseen market volatility and trading strategies, such as the massive short squeeze-rally caused by retail investors on retail trading platforms;
- the market's view of the quality of our assets;
- the market's perception of our growth potential;
- our debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock and preferred stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to qualify and maintain our qualification as a REIT.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

The real estate investments made, and to be made, by us may be difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to liquidity needs, changing economic, financial and investment conditions may be limited or we may have to sell properties at a loss. In addition, we seek to opportunistically dispose of properties when we are able to do so at a price we consider attractive and/or recognize a gain on sale. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We have used dispositions of assets in the past in order to meet our liquidity requirements. If we are required to dispose of additional assets for liquidity purposes, we may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. Opportunities to dispose of assets at a gain may not be available to us, which would reduce our cash on hand for stock repurchases, distributions to stockholders, or for any other purpose. In particular, weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located, in each case may limit our ability to dispose of a property.

In addition, the Code imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in our best interests. Moreover, if we acquire properties from C corporations (*i.e.*, corporations generally subject to full corporate-level tax) in certain non-taxable transactions, as we have done in the past, built-in gain recognized on the non-taxable disposition of such properties within 5 years of our acquisition will be subject to tax at the highest applicable U.S. federal corporate income tax rate. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms.

Some state laws prohibit or restrict the ownership of agricultural land by business entities, which could impede the growth of our portfolio and our ability to diversify geographically.

Certain states, including Iowa, North Dakota, South Dakota, Minnesota, Oklahoma, Wisconsin, Missouri and Kansas, in which a substantial amount of primary crop farmland is located, have laws that prohibit or restrict to varying degrees the ownership of agricultural land by corporations or business entities like us. As of December 31, 2020, we owned 1,959 acres of farmland in Kansas and 1,690 in South Dakota, and our ownership of those farms may be challenged under Kansas or South Dakota law, in which case we may be required to sell those farms at an unfavorable time and on unfavorable terms. Additional states may, in the future, pass similar or more restrictive laws, and we may not be legally permitted, or

it may become overly burdensome or expensive, to acquire properties in these states, which could impede the growth of our portfolio and our ability to diversify geographically in states that might otherwise have attractive investment opportunities.

Our farms are subject to adverse weather conditions, seasonal variability, crop disease and other contaminants, which may affect our tenants' ability to pay rent and thereby have a material adverse effect on our results of operations, financial condition, and our ability to make distributions to stockholders.

Crops are vulnerable to adverse weather conditions, including windstorms, tornados, floods, drought and temperature extremes, which are common but difficult to predict. Unfavorable growing conditions can reduce both crop yield and quality. Seasonal factors, including supply and consumer demand, may also have an effect on the value of crops grown by our tenants. In extreme cases, entire harvests may be lost in some geographic areas.

In addition, crops are vulnerable to disease and pests. Damages to tenants' crops may vary in severity and effect, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. The costs to control these infestations vary depending on the severity of the damage and the extent of the plantings affected. These infestations can increase the costs and decrease the revenues of our tenants. Tenants may also incur losses from product recalls, fines or litigation due to other contaminants that may cause food borne illness. It is difficult to predict the occurrence or severity of such product recalls, fines or litigation as well as their impact upon our tenants.

We are particularly susceptible to adverse weather conditions (such as windstorms, tornados, floods, drought, hail and temperature extremes), transportation conditions (including navigation of the Mississippi River), crop disease, pests and other adverse growing conditions in California, Illinois, North Carolina, Colorado and Arkansas, which generate a significant portion of our revenues.

While many of our leases are on a fixed-rent basis that does not change based on the success of the farming operations, we also utilize variable-rent leases pursuant to which the amount of the rent depends on crop yields and prices in regions where such arrangements are prevalent. Adverse weather conditions, seasonal variability, crop disease, pests and contaminants could adversely affect the value of production on properties. This could impact our variable rent proceeds and our tenants' ability to continue to meet their obligations to us. This could have a material adverse effect on the value of our properties, our results of operations, financial condition, and our ability to make distributions to our stockholders.

For example, our tenants' profitability and, to some degree, our variable rent revenue were negatively impacted by extreme weather events in 2019 and 2020. Specifically, hurricane Michael affected our pecan farms in Alabama and Georgia, and excess rainfall affected several row crop farms in the Corn Belt, Delta and South, and Southeast regions. Furthermore, a heat wave affected an avocado farm in California, with a negative impact on 2019 revenue, an early season freeze in Michigan damaged a large portion of our blueberry crop, which had a negative impact on 2020 crop sales, and long periods of dense smoke from the wildfires this summer in California damaged wine grapes on one of our vineyards, which had an adverse impact on 2020 crop share revenue.

The market prices of the crops that our tenants may produce on our agricultural properties have exhibited periods of volatility, which may affect our tenants' ability to pay rent and thereby have a material adverse effect on our results of operations and our ability to make distributions to stockholders.

The value of a crop is affected by many factors that can differ on a yearly basis. The unpredictability of weather and crop yields in the major crop production regions worldwide creates a significant risk of price volatility, which may either increase or decrease the value of the crops that our tenants produce each year. Other material factors adding to the volatility of crop prices are changes in government regulations and policy, fluctuations in global prosperity, fluctuations in foreign trade and export markets, and eruptions of military conflicts or civil unrest. Although rental payments under the majority of our leases typically are not based on the quality or profitability of our tenants' harvests, any of these factors could adversely affect our tenants' ability to meet their obligations to us and our ability to lease or re-lease properties on favorable terms, or at all, which could have a material adverse effect on the value of our properties, our results of operations and our ability to make distributions to our stockholders.

The impacts of trade disputes could adversely affect the profitability of our tenants' farming operations, which could have a material adverse effect on our results of operations, financial condition, ability to make distributions to our stockholders and the value of our properties.

The increased intensity and scope of trade disputes between the United States and its primary agricultural trade partners have increased the volatility of the market prices of certain crops that our tenants grow on our properties, and have strengthened the relative competitiveness of other countries producing the same crops. As a result, U.S. agricultural exports after phases of heightened trade tensions may not recover to prior levels. In addition, it is not clear whether the Biden administration will continue the trade policies of the Trump administration, or whether newly enacted trade policies will be effective at promoting agricultural exports. There can be no assurances as to the impact of any change in trade policy on market prices of crops. A reduction in crop prices could adversely affect the profitability of our tenants and negatively impact their ability to make rental payments as they come due. If we are unable to recover the rental payments, our results of operations, financial condition and ability to make distributions to our stockholders could be materially and adversely effected. If we are required to remove a tenant, we may not be able to re-lease the property at current rental rates or at all. Furthermore, prolonged trade disputes that lead to a continuation of depressed crop prices could materially and adversely affect the underlying value of our properties.

Adverse changes in government policies related to farming could affect the prices of crops and the profitability of farming operations, which could materially and adversely affect the value of our properties and our results of operations.

There are a number of government programs that directly or indirectly affect the profitability of farm operators. These include marketing, export, renewable fuel and insurance policies and programs. Significant changes to or the elimination of programs and policies could adversely affect crop prices and the profitability of farming operations, which could materially and adversely impact the value of our farms and our ability to lease them on favorable terms, or at all, which would have a material adverse effect on our results of operations.

If the U.S. Federal Reserve or other central banks embark on a substantial tightening of monetary policy in the future that causes real interest rates to rise substantially, it may cause land prices to decline if the rise in interest rates is not accompanied by rises in the general levels of inflation.

A substantial tightening of monetary policy by the U.S. Federal Reserve or other central banks would increase credit costs (through the resulting increase in interest rates) and decrease credit availability. This could hurt farm operators because higher real interest rates (which is defined as nominal interest rates minus the inflation rate) make it more difficult for farm operators to qualify for loans and increase their borrowing costs. Higher interest rates also tend to decrease U.S. and world economic growth, thus decreasing the demand for agricultural commodities.

All of these consequences could reduce farm income. If increases in real interest rates are not accompanied by higher levels of farm income and rents, this could lead to declines in agricultural land values and a reduction in our profitability, either of which would have a material adverse effect on our business or results of operations, financial condition, and ability to make distributions to our stockholders.

The loss of key management personnel, particularly Paul A. Pittman and Luca Fabbri, could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.

Our future success depends to a significant extent on the continued service and coordination of our senior management team, which is comprised of Paul A. Pittman, our Executive Chairman and Chief Executive Officer and Luca Fabbri, our Chief Financial Officer. We can provide no assurances that any of our key personnel will continue their employment with us. The loss of services of Messrs. Pittman and Fabbri could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.

The sale of properties to the opportunity zone fund ("OZ Fund") may not occur on the expected timeline, and we may not achieve the anticipated benefits from our relationship with the OZ Fund.

While the closing of the sale of first six farms to the OZ Fund has been completed, we expect an additional six farms to be sold prior to June 30, 2021. We can provide no assurances that any additional sales of properties to the OZ Fund will occur on the expected timeline or at all. If the sales of additional properties to the OZ Fund do not occur, our liquidity will be negatively impacted. Furthermore, we can provide no assurances that the OZ Fund will be successful in raising additional capital and acquiring additional farmland, either from us or from third parties. If the OZ Fund does not increase in scale, we may not experience the anticipated benefits from our relationship with the OZ Fund. For instance, we may not realize the amount of management fees we expect receive from our relationship with the OZ Fund, and our future cash flow could be adversely impacted. Farmland Partners Inc. will have no role in the management of the OZ Fund itself.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers.

In the future, we may co-invest with third parties through partnerships, joint ventures or other entities, acquiring noncontrolling interests in or sharing responsibility for developing properties and managing the affairs of a property, partnership, joint venture or other entity. With respect to any such arrangement or any similar arrangement that we may enter into in the future, we may not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflicts of interest. Such investments may also have the potential risk of impasses on decisions, such as a sale or financing, because neither we nor the partner(s) or co-venturer(s) would have full control over the partnership or joint venture. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal, in favor of our joint venture partners, which would in each case restrict our ability to dispose of our interest in the joint venture. Where we are a limited partner or non-managing member in any partnership or limited liability company, if such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Our joint ventures may be subject to debt and, during periods of volatile credit markets, the refinancing of such debt may require equity capital calls.

We will continue to incur costs as a result of being a public company.

As a public company, we expect to continue to incur significant legal, accounting, insurance, and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect compliance with these public reporting requirements and associated rules and regulations to increase expenses, particularly now that we are no longer an emerging growth company, although we are currently unable to estimate these costs with any degree of certainty.

If we fail to maintain effective internal controls over financial reporting, we may not be able to accurately report our financial results, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting. While our Annual Report on Form 10-K for the year ended December 31, 2019 contained an independent auditor's attestation report pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), we are not required to include such an audit report in this Annual Report. In connection with our 2019 audit, our independent registered public accounting firm identified and communicated a material weakness related to the failure of management to timely comply with compensating controls with respect to the separation of duties in our accounting IT systems. While we have remediated this material weakness, we cannot give any assurances that material weaknesses will

not be identified in the future in connection with our compliance with the provisions of Section 404 of the Sarbanes-Oxley Act. The existence of any material weakness would preclude a conclusion by management and our independent auditors that we maintained effective internal control over financial reporting. Our management may be required to devote significant time and expense to remediate any material weaknesses that may be discovered and may not be able to remediate any material weakness in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, all of which could lead to a decline in the per-share trading price of our common stock. In addition, at the time we no longer qualify as a smaller reporting company, we will be required to include an auditor attestation report pursuant to Section 404 of the Sarbanes Oxley Act, which will cause us to incur additional expenses, which may be significant.

Under the FPI Loan Program, we provide loans to third-party farmers, which exposes us to risks associated with being a lender, including the risk that borrowers default on their obligations to us, which could adversely affect our results of operations and financial condition.

Under the FPI Loan Program, we make loans to third-party farmers (both tenant and non-tenant) to provide financing for borrowers' working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related purposes. As of the date of this Annual Report on Form 10-K, we have made seven senior secured first-lien mortgage loans secured against farmland or farm related properties and one loan secured against crop to farmers totaling \$19.1 million, with \$2.4 million outstanding at December 31, 2020 (representing less than 0.01% of our total assets as of December 31, 2020), and we intend to make similar loans under the FPI Loan Program in the future. Payments on such loans depend on the profitable operation or management of the farmland or farmland-related property securing the loan or the maintenance of any equipment, or other assets securing the loan. The success of the farmland or farm-related property may be affected by many factors outside the control of the borrower, including adverse weather conditions that prevent the planting of a crop or limit crop yields, declines in market prices for agricultural products (both domestically and internationally) and the impact of government regulations (including changes in price supports, subsidies and environmental regulations). In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the farm. If the cash flow from a farming operation is diminished, the borrower's ability to repay the loan may be impaired. If a borrower defaults under a loan for which we are the lender, we may attempt to foreclose on the collateral securing the loan, including by acquiring title to the subject property, crops, or equipment, to protect our investment. In response, the defaulting borrower may contest our enforcement of foreclosure or other available remedies, seek bankruptcy protection against our exercise of enforcement or other available remedies, or bring claims against us for lender liability. If a defaulting borrower seeks bankruptcy protection, the automatic stay provisions of the U.S. Bankruptcy Code would preclude us from enforcing foreclosure or other available remedies against the borrower unless relief is first obtained from the court with jurisdiction over the bankruptcy case. In addition, we may be subject to intercreditor agreements that delay, impact, govern or limit our ability to foreclose on a lien securing a loan or otherwise delay or limit our pursuit of our rights and remedies. Any such delay or limit on our ability to pursue our rights or remedies could adversely affect our business, results of operations and ability to make distributions to our stockholders. In the event of a foreclosure, we may assume direct ownership of the underlying farm. Even if we successfully foreclose on the collateral securing our mortgage loans, foreclosure-related costs, high loan-to-value ratios or declines in property values could prevent us from realizing the full amount of our mortgage loans, and we could be required to record a valuation allowance for such losses.

Liability for uninsured or underinsured losses could materially and adversely affect our financial condition and cash flow.

Our properties may be damaged by adverse weather conditions and natural disasters, such as earthquakes, floods and tornados. Our insurance may not be adequate to cover all damages or losses from these events, or we may view it as not economically prudent to purchase insurance for certain types of losses. Should an uninsured loss occur, we could lose our capital investment or anticipated profits and cash flows from one or more properties. If any such loss is insured, we may be required to pay a significant deductible on any claim for recovery of such a loss prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss, which could have an adverse effect on our cash flow.

A cybersecurity incident and other technology disruptions could result in a violation of law or negatively impact our reputation and relationships with our tenants, any of which could have a material adverse effect on our results of operations and our financial condition.

Information and security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. We use computers in substantially all aspects of our business operations, and we also use mobile devices and other online activities to connect with our employees and tenants. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. We have in the past experienced cyberattacks on our computers and computer networks, and, while none to date have been material, we expect that additional cyberattacks will occur in the future. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including tenants', suppliers' and employees' personally identifiable information and financial and strategic information about us.

If we fail to assess and identify cybersecurity risks associated with our operations, we may become increasingly vulnerable to such risks. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we and our suppliers may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us and our suppliers to entirely mitigate this risk. Further, in the future we may be required to expend additional resources to continue to enhance information security measures and/or to investigate and remediate any information security vulnerabilities. We can provide no assurances that the measures we have implemented to prevent security breaches and cyber incidents will be effective in the event of a cyber-attack.

The theft, destruction, loss, misappropriation or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third-parties on which we rely, could result in business disruption, negative publicity, violation of privacy laws, loss of tenants, potential liability and competitive disadvantage, any of which could result in a material adverse effect on financial condition or results of operations.

Potential liability for environmental matters could materially and adversely affect our results of operations and financial condition.

We are subject to the risk of liabilities under federal, state and local environmental laws applicable to agricultural properties, including those related to wetlands, groundwater and water runoff. Some of these laws could subject us to:

- responsibility and liability for the cost of removal or remediation of hazardous substances released on our properties, generally without regard to our knowledge of or responsibility for the presence of the contaminants;
- liability for the costs of investigation, removal or remediation of hazardous substances or chemical releases at disposal facilities for persons who arrange for the disposal or treatment of these substances; and
- potential liability for claims by third parties for damages resulting from environmental contaminants.

Environmental site assessments were not conducted on all the farms in our portfolio and we do not expect to conduct environment site assessments on all farms we acquire in the future. Our costs of investigation, remediation or removal of hazardous substances may be substantial. In addition, the presence of hazardous substances on one of our properties, or the failure to properly remediate a contaminated property, could adversely affect our ability to sell or lease the property or to borrow using the property as collateral. We may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. Additionally, we could become subject to new, stricter environmental regulations, which could diminish the utility of our properties and have a material adverse impact on our results of operations and financial condition.

We may be required to permit the owners of certain third-party access rights on our properties to enter and occupy parts of the properties, including owners of mineral rights and power generation and transportation infrastructure, which could materially and adversely impact the rental value of our properties.

Although we own the surface rights to our farms and expect to own the surface rights to properties that we acquire, other persons or entities may own third-party access rights on our properties based upon their ownership of certain minerals, power generation and transportation infrastructure or similar property rights. Some of these third-party access rights, such as those related to oil, water or natural gas may be located under the surfaces of these properties, while others, particularly those third-party access rights related to power generation and transportation infrastructure such as wind turbines or oil pipelines, may be located on or above the surfaces of these properties. For example, in connection with our acquisition of a group of farms in Colorado and Kansas, we granted the seller 50% of the mineral rights related to the farm. Currently there is no mineral development or significant power generation and transportation infrastructure on the farms in our portfolio other than on properties for which we own the rights, but we can provide no assurances that third parties will not assert claims for mineral rights, third-party access rights related to power generation and transportation infrastructure and other related property rights on the farms in our portfolio or that farmland that we acquire in the future will not be subject to these third-party access rights. To the extent that third parties have third-party rights on farmland that we currently own or acquire in the future, we expect that we would be required to permit third parties to enter our properties for the purpose of such activities as drilling and operating oil or gas wells, operating and maintaining oil pipelines and operating and maintaining wind turbines on the premises. We may also be required to set aside a reasonable portion of the surface area of our properties to accommodate these operations. The devotion of a portion of our properties to these operations would reduce the amount of the surface available for farming or farm-related uses. Such activities might also disrupt the productivity of the farmland or property related to farming or increase the risk of environmental liabilities, any of which could adversely impact the rents that we receive from leasing these properties.

Increases in mortgage rates or unavailability of mortgage debt may make it difficult for us to finance or refinance our debt, which could have a material adverse effect on our financial condition, results of operations, growth prospects and our ability to make distributions to stockholders.

If mortgage debt is unavailable to us at reasonable rates or at all, we may not be able to finance the purchase of additional properties or refinance existing debt when it becomes due. If interest rates are higher when we refinance our debt, our income and cash flow could be reduced, which would reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money.

Changes to the base rate on our floating rate indebtedness could increase our borrowing costs.

As of December 31, 2020, \$174.4 million of our outstanding indebtedness bears interest at floating rates based on the London interbank offered rate (“LIBOR”) and has maturity dates beyond December 31, 2021. In July 2017, the United Kingdom’s Financial Conduct Authority, which regulates LIBOR, announced that it will stop compelling banks to submit rates for the calculation of LIBOR after 2021. It is not possible to predict the effect of these changes, other reforms or the establishment of alternative reference rates. The discontinuation or modification of LIBOR could result in interest rate increases on our debt, which could adversely affect our cash flow, operating results and ability to make distributions to our stockholders at expected levels or at all.

The ongoing COVID-19 pandemic and measures intended to prevent its spread could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Since being first reported in December 2019, COVID-19 has spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The pandemic has led governments and other authorities around the world, including federal, state and local authorities in the United States, to impose measures intended to control its spread, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders. Many of our properties and our headquarters are located in areas that are or have been subject to shelter-in-place orders and restrictions on the types of businesses that may continue to operate.

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The impact of the COVID-19 pandemic and measures to prevent its spread could materially and adversely affect our businesses in a number of ways. Our rental revenue and operating results depend significantly on the ability of our tenants to meet their rent and other obligations to us. While in general our tenants' businesses have not been materially affected, certain sectors of the agricultural industry have seen a decreased demand for their products as a result of the economic disruptions caused by COVID-19. Such decreases in demands may further exacerbate, and demand may never recover to its prior levels. For example, drastic reductions in the hospitality, entertainment and travel business volumes have significantly impacted the demand for certain agricultural products, such as lemons and blueberries. Lower oil demands tied to a reduction in vehicle miles driven have a direct impact on the demand for ethanol and therefore corn, a crop grown on a significant number of our properties. Disruptions in the global supply chain have impacted our tenants' ability to price and sell in a timely manner certain specialty crops, such as almonds, to which we are exposed through participating rents. If the impacts of the pandemic continue for an extended period of time, we expect that certain tenants may experience greater financial distress, which could result in late payments, requests for rental relief, business closures, rent concessions or other accommodations, as applicable. In some cases, we may have to restructure tenants' long-term rent obligations and may not be able to do so on terms that are as favorable to us as those currently in place. Additionally, we have negotiated variable rents with certain of our tenants, which directly exposes our rental revenues to the risk of a negative impact on our tenants' operations as a result of COVID-19.

While both in-person office attendance and frequency of travel has increased compared to the beginning of the pandemic, any future extended periods of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business.

The COVID-19 pandemic has also caused, and is likely to continue to cause, severe economic, market and other disruptions worldwide. We may be impacted by stock market volatility and illiquid market conditions, global economic uncertainty, and the perceived prospect for capital appreciation in real estate. We cannot assure you that conditions in the bank lending, capital and other financial markets will not continue to deteriorate as a result of the pandemic, or that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. In addition, the deterioration of global economic conditions as a result of the pandemic may ultimately decrease occupancy levels and rents across our portfolio as tenants and residents reduce or defer their spending, which could adversely affect the value of our properties.

The extent of the COVID-19 pandemic's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, the timing and effectiveness of vaccines and other treatments, possible resurgences in COVID-19 cases, and the duration and effectiveness of government measures to mitigate the pandemic, all of which are uncertain and difficult to predict. Due to the speed with which the situation is developing, we are not able at this time to estimate the effect of these factors on our business, but the adverse impact on our business, results of operations, financial condition and cash flows could be material.

Risks Related to Our Organizational Structure

We may be subject to unknown or contingent liabilities related to acquired properties and properties that we may acquire in the future, which could have a material adverse effect on us.

Properties that we have acquired, and properties that we may acquire in the future, may be subject to unknown or contingent liabilities for which we may have no recourse, or only limited recourse, against the sellers. In general, the representations and warranties provided under the transaction agreements related to the purchase of properties that we acquire may not survive the completion of the transactions. Furthermore, indemnification under such agreements may be limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that may be incurred with respect to liabilities associated with these properties may exceed our expectations, and we may experience other unanticipated adverse effects, all of which may materially and adversely affect us.

Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our operating partnership, which may impede business decisions that could benefit our stockholders.

Although holders of our Common units do not have voting rights or the power to direct the Company's affairs, there could be potential conflicts, conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof.

Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, our wholly owned subsidiary, Farmland Partners OP GP, LLC, as the general partner of our operating partnership, has fiduciary duties and obligations to our operating partnership and its limited partners under Delaware law and the partnership agreement in connection with the management of our operating partnership. The general partner's fiduciary duties and obligations as the general partner of our operating partnership may come into conflict with the duties of our directors and officers to our company. These conflicts of interest could lead to decisions that are not in the best interests of the Company and its stockholders.

Unless otherwise provided for in a partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of good faith, fairness and loyalty and which generally prohibit such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. The partnership agreement provides that, in the event of a conflict between the interests of the limited partners of our operating partnership, on the one hand, and the separate interests of our stockholders, on the other hand, the general partner, in its capacity as the general partner of our operating partnership, shall act in the interests of our stockholders and is under no obligation to consider the separate interests of the limited partners of our operating partnership in deciding whether to cause our operating partnership to take or not to take any actions. The partnership agreement further provides that any decisions or actions not taken by the general partner in accordance with the partnership agreement will not violate any duties, including the duty of loyalty, that the general partner, in its capacity as the general partner of our operating partnership, owes to our operating partnership and its partners.

Additionally, the partnership agreement provides that the general partner will not be liable to our operating partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by our operating partnership or any limited partner unless the general partner acted in bad faith and the act or omission was material to the matter giving rise to the loss, liability or benefit not derived. Our operating partnership must indemnify the general partner, us, our directors and officers, officers of our operating partnership and others designated by the general partner from and against any and all claims that relate to the operations of our operating partnership, unless (1) an act or omission of the indemnified person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the indemnified person actually received an improper personal benefit in money, property or services or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our operating partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action. No reported decision of a Delaware appellate court has interpreted provisions similar to the provisions of the partnership agreement that modify and reduce our fiduciary duties or obligations as the sole member of the general partner or reduce or eliminate our liability for money damages to our operating partnership and its partners, and we have not obtained an opinion of counsel as to the enforceability of the provisions set forth in the partnership agreement that purport to modify or reduce the fiduciary duties that would be in effect were it not for the partnership agreement.

Our charter contains certain provisions restricting the ownership and transfer of our stock that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Our charter contains certain ownership limits with respect to our stock. Our charter, among other restrictions, prohibits the beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock, excluding any shares that are not treated as outstanding for U.S. federal income tax purposes. Our Board of Directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from this ownership limit if certain conditions are satisfied. This ownership limit as well as other restrictions on ownership and transfer of our stock in our charter may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; and
- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of certain of the benefits of owning the additional shares.

We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval, which may delay, defer or prevent a transaction that our stockholders believe to be in their best interests.

Our Board of Directors, without stockholder approval, has the power under our charter to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue. In addition, under our charter, our Board of Directors, without stockholder approval, has the power to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the preference, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications or terms or conditions of redemption for such newly classified or reclassified shares. As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common stock. Although our Board of Directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of the Maryland General Corporation Law, or the MGCL, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under certain circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock or any affiliate or associate of ours who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder and thereafter impose fair price and/or supermajority voting requirements on these combinations; and
- "control share" provisions that provide that "control shares" of our company (defined as shares which, when aggregated with other shares controlled by the stockholder, except solely by virtue of a revocable proxy, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights with respect to their control shares except to the extent

approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

By resolution of our Board of Directors, we have opted out of the business combination provisions of the MGCL and provided that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our Board of Directors (including a majority of directors who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our Board of Directors may by resolution elect to opt in to the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Additionally, certain provisions of the MGCL permit our Board of Directors, without stockholder approval and regardless of what is currently provided in our charter or our bylaws, to implement takeover defenses, some of which (for example, a classified board) we do not currently employ. These provisions may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring, or preventing a change in control of our company under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-current market price. Our charter contains a provision whereby we elect to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our Board of Directors.

Our charter, our bylaws and Maryland law also contain other provisions, including the provisions of our charter on removal of directors and the advance notice provisions of our bylaws, that may delay, defer, or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Certain provisions in the partnership agreement may delay or prevent unsolicited acquisitions of us.

Provisions in the partnership agreement may delay, or make more difficult, unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some of our stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights;
- a requirement that the general partner may not be removed as the general partner of our operating partnership without our consent;
- transfer restrictions on Common units;
- our ability, as general partner, in some cases, to amend the partnership agreement and to cause our operating partnership to issue units with terms that could delay, defer or prevent a merger or other change of control of us or our operating partnership without the consent of the limited partners; and
- the right of the limited partners to consent to direct or indirect transfers of the general partnership interest, including as a result of a merger or a sale of all or substantially all of our assets, in the event that such transfer requires approval by our common stockholders.

Our Board of Directors may change our strategies, policies and procedures without stockholder approval.

Our investment, financing, leverage and distribution policies, and our policies with respect to all other activities, including growth, capitalization and operations, are determined exclusively by our Board of Directors, and may be amended or revised at any time by our Board of Directors without notice to or a vote of our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this Annual Report on Form 10-K. Further, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our Board of Directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market

fluctuations and liquidity risk. Changes to our policies with regards to the foregoing could materially adversely affect our financial condition, results of operations and cash flow.

Our rights and the rights of our stockholders to take action against our directors and officers are limited, which could limit your recourse in the event that we take certain actions which are not in our stockholders' best interests.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner that he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Under the MGCL, directors are presumed to have acted with this standard of care. As permitted by Maryland law, our charter eliminates the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our charter and bylaws obligate us to indemnify each present and former director or officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our directors and officers. We also have entered into indemnification agreements with our officers and directors granting them express indemnification rights. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter, bylaws and indemnification agreements or that might exist for other public companies.

Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management.

Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our senior management and may prevent a change in control of our company that is in the best interests of our stockholders. Our charter provides that a director may only be removed for cause upon the affirmative vote of holders of two-thirds of all the votes entitled to be cast generally in the election of directors. Vacancies may be filled only by a majority of the remaining directors in office, even if less than a quorum. These requirements make it more difficult to change our senior management by removing and replacing directors and may prevent a change in control of our company that is in the best interests of our stockholders.

Our operating partnership may issue additional Common units or one or more classes of preferred units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our operating partnership and could have a dilutive effect on the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders.

As of the date of this Annual Report on Form 10-K, we owned approximately 95.4% of the outstanding Common units in our operating partnership (on a fully diluted basis). Since our initial public offering, we have issued a total of 8.0 million Common units and a total of 117,000 Series A preferred units as consideration in connection with our acquisition of properties, and we may issue additional Common units and Series A preferred units of one or more classes in connection with our acquisition of properties, as compensation or otherwise. Such issuances would reduce our ownership percentage in our operating partnership and could affect the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders. Our common stockholders do not have any voting rights with respect to any such issuances or other partnership level activities of our operating partnership.

Certain aspects of our Series A preferred units and Series B Participating Preferred Stock may limit our ability to make distributions to our common stockholders.

The distribution rates on our Series A preferred units and Series B Participating Preferred Stock are fixed, and no distributions can be paid to our common stockholders unless we have paid all cumulative dividends on our Series A

preferred units and Series B Participating Preferred Stock. The distribution preference of our Series A preferred units and Series B Participating Preferred Stock could materially and adversely affect our cash flow and ability to make distributions to our common stockholders.

In addition to the fixed payments on our Series A preferred units and Series B Participating Preferred Stock, holders of our Series B Participating Preferred Stock may receive a Farmland Value Appreciation (“FVA”) payment that represents the cumulative change from the 2017 estimated average value per acre of farmland in the 17 states in which we owned farmland as of June 30, 2017 weighted by the percentage of the total unaudited book value of our properties held in each of the 17 states in which we owned farmland as of June 30, 2017. The FVA payment may be realized by a holder of Series B Participating Preferred Stock only upon (i) the exercise of our optional redemption right or conversion right after September 30, 2021 but prior to September 30, 2024, (ii) any conversion or redemption in connection with a change in control or (iii) the liquidation, dissolution or winding up of the Company. Any of these events could occur during a time in which the FVA amount has substantially appreciated from its 2017 level, which may require a significant distribution from the Company to holders of Series B Participating Preferred Stock, and could materially and adversely affect our cash available to make distributions to our common stockholders. Further, in addition to the FVA amount, if a redemption or liquidation occurs on or before September 30, 2021, we will be required to pay a premium amount that is calculated based on the FVA amount, which could further reduce our cash available to make distributions to our common stockholders.

U.S. Federal Income Tax Risks

Failure to maintain qualification as a REIT for U.S. federal income tax purposes would subject us to U.S. federal income tax on our taxable income at regular corporate rates, which would substantially reduce our ability to make distributions to our stockholders.

We elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ended December 31, 2014. To maintain qualification as a REIT, we must meet various requirements set forth in the Code concerning, among other things, the ownership of our outstanding stock, the nature of our assets, the sources of our income and the amount of our distributions. The REIT qualification requirements are extremely complex, and interpretations of the U.S. federal income tax laws governing qualification as a REIT are limited. We believe that our current organization and method of operation will enable us to continue to qualify as a REIT. However, at any time, new laws, interpretations or court decisions may change the U.S. federal tax laws relating to, or the U.S. federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to determine that it is not in our best interest to qualify as a REIT and to revoke our REIT election, which it may do without stockholder approval.

If we fail to qualify as a REIT for any taxable year, we will be subject to U.S. federal income tax (including, for periods prior to 2018, any applicable alternative minimum tax) on our taxable income at regular corporate rates. In addition, we generally would be disqualified from treatment as a REIT for the four taxable years following the year in which we lost our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution because of the additional tax liability. In addition, distributions would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and would substantially reduce our ability to make distributions to our stockholders.

To qualify as a REIT and to avoid the payment of U.S. federal income and excise taxes, we may be forced to borrow funds, use proceeds from the issuance of securities, pay taxable dividends of our stock or debt securities or sell assets to make distributions, which may result in our distributing amounts that may otherwise be used for our operations.

To obtain the favorable tax treatment accorded to REITs, we normally are required each year to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. We will be subject to U.S. federal income tax on our undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of (1) 85% of our ordinary income, (2) 95% of our capital gain net income and (3) 100% of our

undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on acquisitions of properties and it is possible that we might be required to borrow funds, use proceeds from the issuance of securities, pay taxable dividends of our stock or debt securities or sell assets in order to distribute enough of our taxable income to maintain our qualification as a REIT and to avoid the payment of U.S. federal income and excise taxes.

Future sales of properties may result in penalty taxes or may be made through TRSs, each of which would diminish the return to you.

It is possible that one or more sales of our properties may be "prohibited transactions" under provisions of the Code. If we are deemed to have engaged in a "prohibited transaction" (*i.e.*, we sell a property held by us primarily for sale in the ordinary course of our trade or business), all income that we derive from such sale would be subject to a 100% tax. The Code sets forth a safe harbor for REITs that wish to sell property without risking the imposition of the 100% tax. A principal requirement of the safe harbor is that the REIT must hold the applicable property for not less than two years prior to its sale for the production of rental income. It is entirely possible that a future sale of one or more of our properties will not fall within the prohibited transaction safe harbor.

If we acquire a property that we anticipate will not fall within the safe harbor from the 100% penalty tax upon disposition, we may acquire such property through a TRS in order to avoid the possibility that the sale of such property will be a prohibited transaction and subject to the 100% penalty tax. If we already own such a property directly or indirectly through an entity other than a TRS, we may contribute the property to a TRS. Though a sale of such property by a TRS likely would mitigate the risk of incurring a 100% penalty tax, the TRS itself would be subject to regular corporate income tax at the U.S. federal level, and potentially at the state and local levels, on the gain recognized on the sale of the property as well as any income earned while the property is operated by the TRS. Such tax would diminish the amount of proceeds from the sale of such property ultimately distributable to our stockholders. Our ability to use TRSs in the foregoing manner is subject to limitation. Among other things, the value of our securities in TRSs may not exceed 20% of the value of our assets and dividends from our TRSs, when aggregated with all other non-real estate income with respect to any one year, generally may not exceed 25% of our gross income with respect to such year. No assurances can be provided that we would be able to successfully avoid the 100% penalty tax through the use of TRSs.

In addition, if we acquire any asset from a C corporation (*i.e.*, a corporation generally subject to full corporate-level tax) in a merger or other transaction in which we acquire a basis in the asset determined by reference either to the C corporation's basis in the asset or to another asset, we will pay tax, at the highest U.S. federal corporate income tax rate, on any built-in gain recognized on a taxable disposition of the asset during the 5-year period after its acquisition. As a result of the manner in which we acquired the Hudye Farm, a subsequent taxable disposition by us of any such assets generally would be subject to the foregoing built-in gain rules.

In certain circumstances, we may be subject to U.S. federal and state income taxes as a REIT, which would reduce our cash available for distribution to our stockholders.

Even if we qualify as a REIT, we may be subject to U.S. federal income taxes or state taxes. As discussed above, net income from a "prohibited transaction" will be subject to a 100% penalty tax and built-in gain recognized on the taxable disposition of assets acquired from C corporations in certain non-taxable transactions will be subject to tax at the highest applicable U.S. federal corporate income tax rate. To the extent we satisfy the distribution requirements applicable to REITs, but distribute less than 100% of our taxable income, we will be subject to U.S. federal income tax at regular corporate rates on our undistributed income. We may not be able to make sufficient distributions to avoid excise taxes applicable to REITs. We may also decide to retain capital gains we earn from the sale or other disposition of our properties and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, our stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability. We may also be subject to state and local taxes on our income or property, either directly or at the level of the companies through which we indirectly own our assets. Any U.S. federal or state taxes we pay will reduce our cash available for distribution to our stockholders.

The ability of our Board of Directors to revoke or otherwise terminate our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides that our Board of Directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our taxable income at regular corporate rates and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders.

If our operating partnership were classified as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes, we would fail to qualify as a REIT and would suffer other adverse tax consequences.

We intend for our operating partnership to be treated as a "partnership" for U.S. federal income tax purposes. If the IRS were to successfully assert our operating partnership was "publicly traded," our operating partnership could be taxable as a corporation if less than 90% of its gross income consisted of certain qualifying passive income. In such event, we likely would fail to qualify as a REIT for U.S. federal income tax purposes, and the resulting corporate income tax burden would reduce the amount of distributions that our operating partnership could make to us. This would substantially reduce the cash available to pay distributions to our stockholders.

Complying with the REIT requirements may cause us to forego otherwise attractive opportunities or sell properties earlier than we wish.

To maintain our qualification as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of shares of our stock. We may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution, or we may be required to forego or liquidate otherwise attractive investments in order to comply with the REIT tests. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

You may be restricted from acquiring or transferring certain amounts of our common stock or our Series B Participating Preferred Stock.

Certain provisions of the Code and the stock ownership limits in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities. In order to maintain our qualification as a REIT, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our capital stock under this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of a taxable year. To help insure that we meet these tests, our charter restricts the acquisition and ownership of shares of our stock.

Our charter, with certain exceptions, authorizes our Board of Directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our Board of Directors, our charter prohibits any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. Our Board of Directors may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of such ownership limit would result in our failing to qualify as a REIT.

Dividends paid by REITs generally do not qualify for the favorable tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to qualified dividend income paid to U.S. stockholders that are individuals, trusts and estates currently is 20%. Dividends paid by REITs generally are not eligible for such reduced tax rate. Instead, our ordinary dividends generally are taxed at the higher tax rates applicable to ordinary income, the current maximum rate of which is 37%. Although the favorable tax rates applicable to qualified dividend income do not adversely affect the taxation of REITs or dividends paid by REITs, such favorable tax rates could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-

REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock and Series B Participating Preferred Stock. However, for taxable years prior to 2026, individual stockholders are generally allowed to deduct 20% of the aggregate amount of ordinary dividends distributed by us, subject to certain limitations, which would reduce the maximum marginal effective federal income tax rate for individuals on the receipt of such ordinary dividends to 29.6%.

Changes to the U.S. federal income tax laws, including the enactment of certain tax reform measures, could have an adverse impact on our business and financial results.

In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments in real estate and REITs, including the passage of the Tax Cuts and Jobs Act of 2017, the full impact of which may not become evident for some period of time. There can be no assurance that future changes to the U.S. federal income tax laws or regulatory changes will not be proposed or enacted that could impact our business and financial results. The REIT rules are regularly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department, which may result in revisions to regulations and interpretations in addition to statutory changes. If enacted, certain of such changes could have an adverse impact on our business and financial results.

We cannot predict whether, when or to what extent any new U.S. federal tax laws, regulations, interpretations or rulings will impact the real estate investment industry or REITs. Prospective investors are urged to consult their tax advisors regarding the effect of potential future changes to the federal tax laws on an investment in our shares.

Risks Related to the Market for Our Capital Stock

We may be unable to make distributions at expected levels, which could result in a decrease in the market price of our common stock.

We intend to continue to pay regular quarterly distributions to our stockholders. However, we significantly reduced the amount of distributions on our common stock beginning in the third quarter of 2018, and we may be required to reduce our distributions further in the future. All distributions will be made at the discretion of our Board of Directors and will be based upon, among other factors, our historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of our REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as our Board of Directors may deem relevant from time to time. If sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than our current estimate, or if such cash available for distribution decreases in future periods from expected levels, our inability to make the expected distributions could result in a decrease in the market price of our common stock or Series B Participating Preferred Stock.

The market price and trading volume of our common stock and Series B Participating Preferred Stock may be highly volatile and low, respectively.

The stock markets, including the New York Stock Exchange (the "NYSE"), on which our common stock and our Series B Participating Preferred Stock is listed, historically have experienced significant price and volume fluctuations. As a result, the market price of our common stock and Series B Participating Preferred Stock is likely to be similarly volatile, and investors in our common stock and Series B Participating Preferred Stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common stock and Series B Participating Preferred Stock could be subject to wide fluctuations in response to a number of factors, including those listed in this "Risk Factors" section of this Annual Report on Form 10-K and others such as:

- actual or anticipated variations in our quarterly results of operations or dividends;
- changes in our funds from operations or earnings estimates;

- changes in government regulations or policies affecting our business or the farming business;
- publication of research reports about us or the real estate or farming industries;
- sustained decreases in agricultural commodity and crop prices;
- increases in market interest rates that lead purchasers of our common stock to demand a higher yield;
- increases in market interest rates that decrease demand for our Series B Participating Preferred Stock;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this Annual Report on Form 10-K;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualifications and requirements;
- low trading volume of our common stock or Series B Participating Preferred Stock; and
- general market and economic conditions, including conditions that are outside of our control, such as the impact of public health and safety concerns, such as the ongoing coronavirus pandemic and efforts to mitigate its spread.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Our common stock is subject to trading risks created by the spread of false information and manipulative trading.

Our common stock is widely traded and held by a diverse group of investors, including retail investors, and these investors are subject to the influence of information provided by third party investor websites and independent authors distributing information on the internet. This information is often widely distributed, in some cases anonymously, including through platforms that mainly serve as hosts seeking advertising revenue. These sites and internet distribution strategies create opportunities for individuals to pursue both "pump and dump" and "short and distort" strategies. We believe that many of these websites have little or no requirements for authors to have professional qualifications. While these sites sometimes require disclosure of stock positions by authors, as far as we are aware these sites do not audit the accuracy of such conflict of interest disclosures. In addition, we believe that many of these websites have few or lax editorial standards, and thin or non-existent editorial staffs. Despite our best efforts, we may not be able to obtain corrections to information provided on these websites about our Company, and any corrections that are obtained may not be achieved prior to the majority of audience impressions being formed for a given article. These conditions create volatility and risk for holders of our common stock and should be considered by investors. While we have sought to engage regulators to address activities that we believe are intentionally misleading, we can make no guarantees that regulatory authorities will take action on these types of activities, and we cannot guarantee that any action taken by regulators or legislators will timely address damage done by the activities of these websites and authors.

The number of shares of our common stock available for future issuance or sale may have adverse effects on the market price of our common stock.

As of December 31, 2020, approximately 30.6 million shares of our common stock were outstanding. In addition, as of the date of this Annual Report on Form 10-K, other than the Common units held by us, approximately 1.6 million

Common units in our operating partnership were outstanding, 1.6 million of which currently may be tendered for redemption by the holders, for cash, or at our option, for shares of our common stock, on a one-for-one basis. We have registered the issuance of 1.6 million of the shares issuable upon redemption of Common units, and we intend to register the issuance of additional shares that may be issued upon redemption of Common units so that such shares will be freely tradable under the securities laws.

We cannot predict whether future issuances or sales of shares of our common stock or the availability of shares for resale in the open market will decrease the per share trading price per share of our common stock. The per share trading price of our common stock may decline significantly when we register the shares of our common stock issuable upon redemption of outstanding Common units.

Future offerings of debt, which would be senior to our common stock upon liquidation, our Series B Participating Preferred Stock and other preferred equity securities, which may be senior to our common stock for purposes of dividend distributions or upon liquidation, and Common units in connection with future acquisitions may materially adversely affect us, including the per share trading price of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our operating partnership to issue debt securities), including medium-term notes, senior or subordinated notes and classes or series of preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock, including our Series B Participating Preferred Stock, and lenders with respect to other borrowings will be entitled to receive payments prior to distributions to the holders of our common stock. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our Series B Participating Preferred Stock has a preference on liquidating distributions and a preference on dividend payments that could limit our ability to pay dividends to the holders of our common stock, as could any future series of preferred stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk that our future offerings could reduce the per share trading price of our common stock and dilute their interest in us. In addition, the issuance of Common units in connection with future acquisitions and the redemption of such Common units for common stock may be dilutive to our stockholders and could have an adverse effect on the per share trading price of our common stock.

Our Series B Participating Preferred Stock is subordinate to our existing and future debt and other liabilities, and could be diluted by the issuance of additional preferred stock and by other transactions.

Our Series B Participating Preferred Stock is subordinate to all of our existing and future debt. Our existing debt restricts, and our future debt may include restrictions on, our ability to pay dividends to preferred stockholders in the event of a default under the debt facilities. Additionally, the issuance of additional shares of preferred stock on parity with or senior to the Series B Participating Preferred Stock would dilute the interests of the holders of the Series B Participating Preferred Stock, and any issuance of shares of preferred stock senior to the Series B Participating Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series B Participating Preferred Stock.

None of the provisions relating to the Series B Participating Preferred Stock relate to or limit our indebtedness or afford the holders of the Series B Participating Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all of our assets or business, that might adversely affect the holders of the Series B Participating Preferred Stock.

An increase in market interest rates may have an adverse effect on the market price of our common stock or Series B Participating Preferred Stock

One of the factors that investors may consider in deciding whether to buy or sell our common stock or Series B Participating Preferred Stock is our distribution yield, which is our distribution rate as a percentage of the share price of our common stock or Series B Participating Preferred Stock, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher distribution yield on our common stock or Series B Participating

Preferred Stock or may seek securities paying higher dividends or interest. The market price of our common stock or Series B Participating Preferred Stock likely will be based primarily on the earnings that we derive from rental income with respect to our properties and our related distributions to stockholders, and not from the underlying appraised value of the properties themselves. As a result, interest rate fluctuations and capital market conditions are likely to affect the market price of our common stock and our Series B Participating Preferred Stock, and such effects could be significant. For instance, if interest rates rise without an increase in our distribution rate, the market price of our common stock or Series B Participating Preferred Stock could decrease because potential investors may require a higher distribution yield on our common stock or Series B Participating Preferred Stock as market rates on interest-bearing securities, such as bonds, rise.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The information set forth under the caption “Our Properties” in Item 1 of this Annual Report on Form 10-K is incorporated by reference herein.

Item 3. Legal Proceedings

For information regarding legal proceedings as of December 31, 2020, see Note 8 to our Consolidated Financial Statements included in Part IV, Item 8 of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

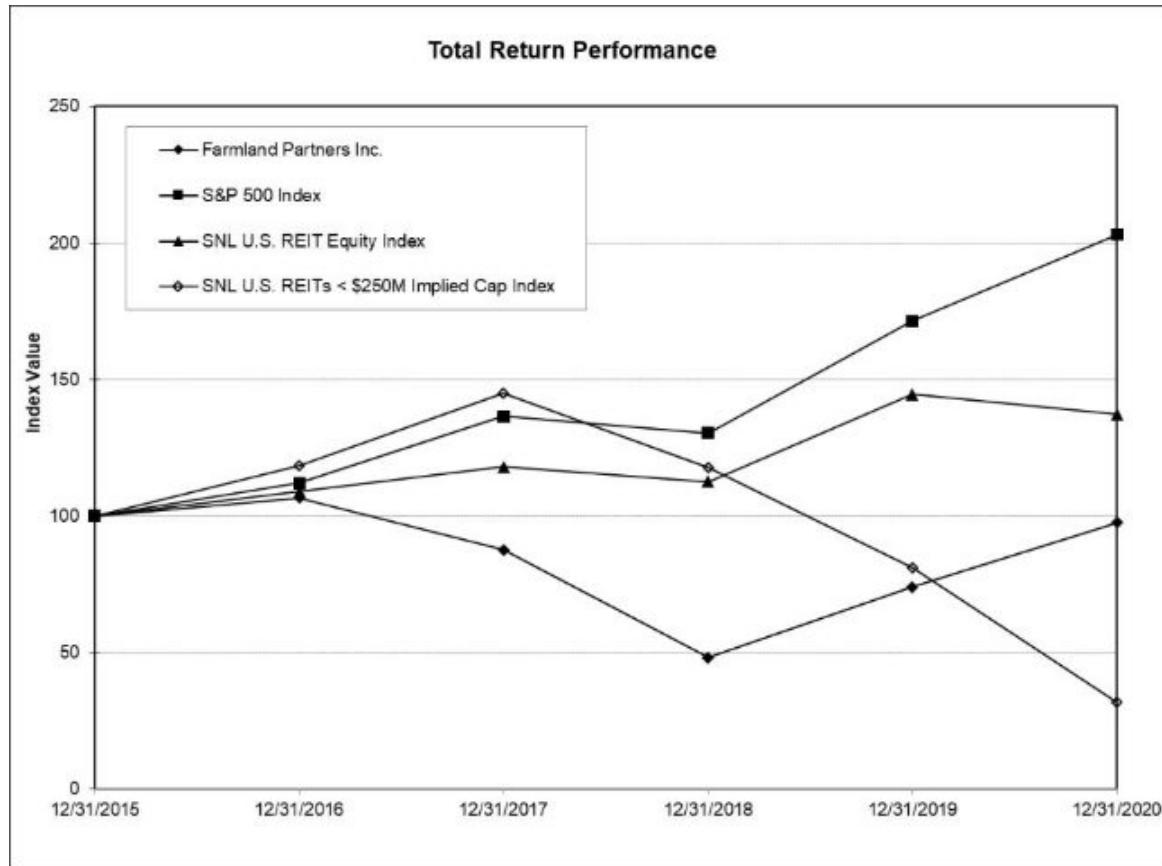
Item 5. Market For Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the NYSE under the symbol “FPI.”

Stock Performance Graph

The following graph compares the total stockholder return of our common stock (assuming reinvestment of dividends) against the cumulative returns of the Standard & Poor’s Corporation Composite 500 Index and the SNL Financial REIT Index, or the SNLUS REITs for the period from April 16, 2014, the date of the initial listing of our common stock on the NYSE MKT to December 31, 2020. Our common stock began trading on the NYSE on September 8, 2015.



Index	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
Farmland Partners Inc.	100.00	106.52	87.51	48.02	73.87	97.58
S&P 500 Index	100.00	111.96	136.40	130.42	171.49	203.04
SNL U.S. REIT Equity Index	100.00	108.88	118.00	112.46	144.54	137.09
SNL U.S. REITs < \$250M Implied Cap Index	100.00	118.33	145.11	117.85	81.04	31.67

Distribution Information

Since our initial quarter as a publicly traded REIT, we have made regular quarterly distributions to our stockholders. We intend to continue to declare quarterly distributions. However, beginning with the third quarter of 2018, we significantly reduced distribution amounts on our common stock, and we cannot provide any assurance as to the amount or timing of future distributions.

Our ability to make distributions in the future will depend upon our actual results of operations and earnings, economic conditions and other factors that could differ materially from our current expectations, including the impact of ongoing litigation. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, see "Risk Factors." Any future distributions will be authorized by our Board of Directors in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including restrictions under applicable law, the capital requirements of our company and the distribution requirements necessary to qualify and maintain our qualification as a REIT. We may be required to fund distributions from working capital or borrow to provide

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funds for such distributions, or we may choose to make a portion of the required distributions in the form of a taxable stock dividend to preserve our cash balance or reduce our distribution. No distributions can be paid on our common stock unless we have paid all cumulative dividends on our Series A preferred units and Series B Participating Preferred Stock. The distribution preference of our Series A preferred units and Series B Participating Preferred Stock could limit our ability to make distributions to the holders of our common stock.

Holders of our Series A preferred units are entitled to receive cash distributions at a rate of 3.00% per annum on the \$1,000 liquidation preference of the Series A preferred units, which is payable annually in arrears on January 15 of each year. Holders of shares of our Series B Participating Preferred Stock are entitled to receive cash dividends at a rate of 6.00% per annum on the initial liquidation preference per share of \$25.00 (equivalent to the fixed annual rate of \$1.50 per share). Beginning on September 30, 2024, dividends will accrue or be paid on any FVA Amount. See “Risk Factors— Certain aspects of our Series A preferred units and Series B Participating Preferred Units may limit our ability to make distributions to our common stockholders.”

In order to maintain qualification as a REIT, we must distribute to our stockholders, on an annual basis, at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains. In addition, we will be subject to U.S. federal income tax at regular corporate rates to the extent that we distribute less than 100% of our net taxable income (including net capital gains) and will be subject to a 4% nondeductible excise tax on the amount by which our distributions in any calendar year are less than a minimum amount specified under applicable U.S. federal income tax laws. We intend to distribute our net income to our stockholders in a manner intended to satisfy the REIT 90% distribution requirement and to avoid any U.S. federal income tax liability on our income and the 4% nondeductible excise tax. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to use cash reserves, incur debt or liquidate assets at rates or times that we regard as unfavorable or make a taxable distribution of our shares in order to satisfy the REIT 90% distribution requirement and to avoid U.S. federal income tax and the 4% nondeductible excise tax.

We anticipate that, from time to time, our distributions will exceed our then current and accumulated earnings and profits for the relevant taxable year, as determined for U.S. federal income tax purposes, due to non-cash expenses such as certain stock-based compensation and depreciation and amortization. Therefore, a portion of our distributions may represent a return of capital for U.S. federal income tax purposes. The extent to which our distributions exceed our current and accumulated earnings and profits may vary substantially from year to year. To the extent a distribution is treated as a return of capital for U.S. federal income tax purposes, it will reduce a stockholder's adjusted tax basis in the holder's shares and, to the extent it exceeds the holder's adjusted tax basis, will be treated as gain resulting from a sale or exchange of such shares. As a result, the gain (or loss) recognized on a sale of that common stock or upon our liquidation would be increased (or decreased) accordingly.

Stockholder Information

As of March 15, 2021, there were approximately 44 holders of record of our common stock. However, because many shares of our common stock are held by brokers and other institutions on behalf of stockholders, we believe there are substantially more beneficial holders of our common stock than record holders. As of March 15, 2021, there were approximately 12 holders (other than our company and management) of our Common units. Our Common units are redeemable for cash or, at our election, for shares of our common stock, on a one-for-one basis. As of March 15, 2021, there were six holders of our Series A preferred units. As of March 15, 2021, there was one holder of record of our Series B Participating Preferred Stock. However, because many shares of our Series B Participating Preferred Stock are held by brokers and other institutions on behalf of stockholders, we believe there are substantially more beneficial holders of our Series B Participating Preferred Stock than record holders.

Issuer Purchases of Equity Securities

Share Repurchase Program

On March 15, 2017, our Board of Directors approved a program to repurchase up to \$25 million in shares of our common stock. Repurchases under this program may be made from time to time, in amounts and prices as we deem appropriate. Repurchases may be made in open market or privately negotiated transactions in compliance with Rule 10b-18 under the Exchange Act, subject to market conditions, applicable legal requirements, trading restrictions under our insider trading policy and other relevant factors. In November 2017, our Board of Directors approved repurchases of our Series B participating preferred stock from time to time under the share repurchase program. This share repurchase program does not obligate us to acquire any particular amount of common stock or Series B participating preferred stock, and it may be modified or suspended at any time at our discretion. We expect to fund repurchases under the program using cash on our balance sheet. Our repurchase activity for the three months ended December 31, 2020 under the share repurchase program is presented in the following table. On August 1, 2018, our Board of Directors increased the authority under the share repurchase program to \$38.5 million. On November 7, 2019, the Board of Directors approved an additional \$50 million under the share repurchase program. As of the date of this report, we had \$41.1 million of availability under the program.

<i>(in thousands except per share amounts)</i>	<u>Total Common Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Preferred Shares Repurchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Share Repurchase Program</u>
October	—	\$ —	—	\$ —	—	\$ 41,357
November	30	\$ 8.37	—	\$ —	30	41,106
December	—	\$ —	—	\$ —	—	41,106
Total	30	\$ 8.37	—	\$ —	30	\$ 41,106

From January 1, 2021 through the date of this report, the Company did not repurchase any shares of common or preferred stock.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto contained elsewhere in this Annual Report on Form 10-K.

Overview and Background

We are an internally managed real estate company that owns and seeks to acquire high-quality farmland located in agricultural markets throughout North America. As of the date of this Annual Report on Form 10-K, we own farms with an aggregate of approximately 150,000 acres in Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Kansas, Louisiana, Michigan, Mississippi, Nebraska, North Carolina, South Carolina, South Dakota, and Virginia. As of the date of this Annual Report on Form 10-K, approximately 70% of our portfolio (by value) is used to grow primary crops, such as corn, soybeans, wheat, rice and cotton, with the balance used to produce specialty crops, such as blueberries, vegetables, citrus, nuts and edible beans. We believe our portfolio gives investors exposure to the increasing global food demand trend in the face of growing scarcity of high quality farmland and will reflect the approximate breakdown of U.S. agricultural output between primary crops and animal protein (whose production relies principally on primary crops as feed), on one hand, and specialty crops, on the other.

In addition, under the FPI Loan Program, we make loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related purposes. As of the first quarter of 2021 we are also engaged in farmland asset management on behalf of third parties.

We were incorporated in Maryland on September 27, 2013, and we are the sole member of the sole general partner of the Operating Partnership, which is a Delaware limited partnership that was formed on September 27, 2013. All of our assets are held by, and our operations are primarily conducted through, the Operating Partnership and its wholly owned subsidiaries. As of the date of this Annual Report on Form 10-K we own 95.4% of the Class A Common units of limited partnership interest in the Operating Partnership ("Common units"), and none of the Series A preferred units of limited partnership interest in the Operating Partnership ("Series A preferred units") or shares of our 6.00% Series B Participating Preferred Stock (the "Series B Participating Preferred Stock").

As of December 31, 2020, we owned 94.9% of the Common units in the Operating Partnership.

We elected and qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our short taxable year ended December 31, 2014.

Recent Developments

2020 Completed Acquisitions and Dispositions

During 2020, we completed three asset acquisitions. Aggregate consideration for the three acquisitions totaled \$1.4 million and consisted of cash and reduction of notes receivable. No intangible assets were acquired through these acquisitions. We also completed seven dispositions consisting of eleven farms for total consideration of \$20.5 million for a total gain over net book value of \$3.2 million, or 15.6%.

Stock Repurchases

During 2020, we repurchased an aggregate of 1,034,167 shares of common stock at a weighted average price per share of \$6.59 for a total cost of \$6.8 million and aggregate of 140,189 shares of Series B preferred stock at a weighted average price per share of \$22.08 for a total cost of \$3.1 million.

Opportunity Zone Agreement

On January 20, 2021, we entered into an agreement with Promised Land Opportunity Zone Farms I, LLC (the "OZ Fund") to sell, throughout 2020, twelve farms located in opportunity zones as designated by the Tax Cuts and Jobs Act of

2017, and to provide farm management services on the farms for the Promised Land Opportunity Zone Farms in exchange for management fees going forward.

Impact of COVID-19 on Our Business

As the vaccine for the coronavirus (“COVID-19”) is beginning to be widely distributed among the population most at risk, we are gaining a better understanding of the impact of the COVID-19 pandemic on our business, particularly with regard to the 2020 crop marketing cycle. We expect the impact of the COVID-19 pandemic to lessen in the 2021 crop marketing cycle. However, we are unable to fully quantify what the ultimate impact of the pandemic on our business will be, as there are still significant uncertainties around the social and economic impact of the pandemic, and the size and timing of additional economic relief measures.

So far, the pandemic has significantly affected only certain sectors of the U.S. agricultural industry, such as fresh food production marketed to the hospitality industry, and meat packing. In particular, we have experienced a decrease in demand – and therefore price – for lemons and blueberries, among other crops. Related revenue declines have had a transient yet significant impact on our profitability. Other permanent crops in our farm portfolio – almonds in particular – have suffered in 2020 due to a mix of the COVID-19 pandemic and trade war related disruptions, which caused a combination of price weakness and longer sales cycles. Lower gasoline demand has affected demand for ethanol and therefore corn, however the negative impact on commodity prices was offset by a recent tightening of supply. We expect that the impact of the COVID-19 pandemic on our profitability will be temporary, but not necessarily limited to 2020; for example, we do not expect that the demand from the bar and restaurant trade will approach pre-pandemic levels until mid- to late-2021 at the earliest.

Despite short and medium-term disruptions in the U.S. agricultural industry, we do not expect global demand for food, feed, fuel and fiber to be materially affected by the COVID-19 pandemic and the related economic turmoil. We expect the industry to experience some degree of long term transformation, but to survive relatively unscathed compared to other industries. As of the date of this Annual Report, farm values have largely held, and probably increased portfolio-wide, throughout the pandemic. As owners of essential long-term assets in an essential industry, we also expect our business to perform relatively well, although the demand and pricing disruption in selected specialty crops that we have seen so far might not be the only negative impact of the pandemic on our business. We expect certain farmers’ profitability to be impacted, however a combination of the high quality of our tenant base and the financial support measures implemented by the U.S. federal government should prevent a material degradation in our tenants’ creditworthiness. So far, the impact of the pandemic on our financial performance has been largely limited to our exposure to the pricing of certain permanent crops through participating leases and direct operation of farms, as our tenants have been able to maintain their financial commitments.

The direct impact of the COVID-19 pandemic on our operations has been limited as of the date of this Annual Report. Even though we operate in an essential industry and therefore have been largely exempted from stay-at-home orders, we have prioritized the health and well-being of our employees. We asked our office staff to work from home whenever possible even before the City and County of Denver and the State of Colorado implemented stay-at-home orders. Our technology infrastructure was already well suited to remote working conditions, and the layout of our offices allows us to substantially observe social distancing guidelines when staff need to be present in the office. We have asked our field personnel to limit travel to only those trips required to monitor and maintain the farms we already own, and to substantially lessen direct contact with our tenants and suppliers. As a result of these worker health measures, we have experienced a perceptible degradation in operating efficiency, but not to such an extent as to materially affect our financial results or internal controls. As of the first quarter of 2021, both in-person office attendance and frequency of travel have increased as compared to the beginning of the pandemic, and are expected to return to pre-pandemic levels later in the year. We do not expect the pandemic will have a material impact on our business and operations going forward, especially as broader segments of the U.S. population are becoming eligible to be vaccinated.

Factors That May Influence Future Results of Operations and Farmland Values

The principal factors affecting our operating results and the value of our farmland include global demand for food relative to the global supply of food, farmland fundamentals and economic conditions in the markets in which we own

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farmland, and our ability to increase or maintain rental revenues while controlling expenses. Although farmland prices may show a decline from time to time, we believe that any reduction in U.S. farmland values overall is likely to be short-lived as global demand for food and agricultural commodities typically exceeds global supply. In addition, although prices for many crops experienced significant declines in 2014 and 2015, in late 2020 and early 2021 they have rebounded to or near prior highs, driven by increased demand expectations from China and modest weather issues around the world. We believe that the combination of long-term growth trends in global population and GDP per capita and steadily increasing yields will result in stable or increased prices and increased revenue per acre for primary crops over time.

Demand

Notwithstanding any impacts from the ongoing COVID-19 pandemic, we expect that global demand for food, driven primarily by significant increases in the global population and GDP per capita, will continue to be the key driver of farmland values. We further expect that global demand for most crops will continue to grow to keep pace with global population growth, which we anticipate will lead to either higher prices and/or higher yields and, therefore, higher rental rates on our farmland, as well as sustained growth in farmland values over the long term. We also believe that growth in global GDP per capita, particularly in developing nations, will contribute significantly to increasing demand for primary crops. As global GDP per capita increases, the composition of daily caloric intake is expected to shift away from the direct consumption of primary crops toward animal-based proteins, which is expected to result in increased demand for primary crops as feed for livestock. According to the United Nations' Food and Agriculture Organization ("UN FAO"), these factors are expected to require more than one billion additional tons of global annual grain production by 2050, a 43% increase from 2005-2007 levels and more than two times the 446 million tons of grain produced in the United States in 2014. Furthermore, we believe that, as GDP per capita grows, a significant portion of additional household income is allocated to food and that once individuals increase consumption of, and spending on, higher quality food, they will strongly resist returning to their former dietary habits, resulting in greater inelasticity in the demand for food. As a result, we believe that, as global demand for food increases, rental rates on our farmland and the value of our farmland will increase over the long term. Global demand for corn and soybeans as inputs in the production of biofuels such as ethanol and soy diesel also could impact the prices of corn and soybeans, which, in the long term, could impact our rental revenues and our results of operations. However, the success of our long-term business strategy is not dependent on growth in demand for biofuels, and we do not believe that demand for corn and soybeans as inputs in the production of biofuels will materially impact our results of operations or the value of our farmland, primarily because we believe that growth in global population and GDP per capita will be more significant drivers of global demand for primary crops over the long term.

Supply

Global supply of agricultural commodities is driven by two primary factors, the number of tillable acres available for crop production and the productivity of the acres being farmed. Although the amount of global cropland in use has gradually increased over time, growth has plateaued over the last 20 years. Typically additions to cropland are in areas of marginal productivity, while cropland loss, driven by urban development, tends to affect primarily highly productive areas. Cropland area continues to increase in developing countries, but after accounting for expected continuing cropland loss, the UN FAO projects only 173 million acres will be added from 2005-2007 to 2050, an approximate 5% increase. In comparison, world population is expected to grow over the same period to 9.1 billion, a nearly 40% increase. According to the World Bank Group, arable land per capita has decreased by approximately 50% from 1961 to 2015. While we expect growth in the global supply of arable land, we also expect that landowners will only put that land into production if increases in commodity prices and the value of farmland cause landowners to benefit economically from using the land for farming rather than alternative uses. We also believe that decreases in the amount of arable land in the United States and globally as a result of increasing urbanization will partially offset the impact of additional supply of farmland. Additionally, we believe that farmland lost to urban development disproportionately impacts higher quality farmland. According to a study published in 2017 in the Proceedings of the National Academy of Sciences, urban expansion is expected to take place on cropland that is 1.77 times more productive than the global average. The global supply of food is also impacted by the productivity per acre of tillable land. Historically, productivity gains (measured by average crop yields) have been driven by advances in seed technology, farm equipment, irrigation techniques, improvements in soil health, and chemical fertilizers and pesticides. Furthermore, we expect the increasing shortage of water in many irrigated growing regions in the United States and other growing regions around the globe, often as a result of new water restrictions.

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imposed by laws or regulations, to lead to decreased productivity growth on many acres and, in some cases, cause yields to decline on those acres.

Conditions in Our Existing Markets

Our portfolio spans numerous farmland markets and crop types, which provides us broad diversification across conditions in these markets. Across all regions, farmland acquisitions continue to be dominated by buyers who are existing farm owners and operators; institutional and investor acquirors remain a small fraction of the industry. We generally see firm demand for high quality properties across all regions and crop types.

Farmland values are typically very stable, often showing modest increases even in years of commodity price weakness. We expect this trend to continue, with modest but consistent annual increases compounding into significant appreciation in the long term.

With regard to leasing dynamics, we believe quality farmland in the United States has a near-zero vacancy rate as a result of the supply and demand fundamentals discussed above. Our view is that rental rates for farmland are a function of farmland operators' view of the long-term profitability of farmland, and that many farm operators will compete for farmland even during periods of decreased profitability due to the scarcity of farmland available to rent. In particular, we believe that due to the relatively high fixed costs associated with farming operations (including equipment, labor and knowledge), many farm operators in some circumstances will rent additional acres of farmland when it becomes available in order to allocate their fixed costs over additional acres. Furthermore, because it is generally customary in the industry to provide the existing tenant with the opportunity to re-lease the land at the end of each lease term, we believe that many farm operators will rent additional land that becomes available in order to control the ability to farm that land in future periods. As a result, in our experience, many farm operators will aggressively pursue rental opportunities in their operable geographic area, even when the farmer anticipates lower current returns or short-term losses.

In our primary row crop farmland, we see modestly higher rent rates in connection with 2021 lease renewals, and we expect to continue seeing rent growth into 2022. This is consistent with robust prices in primary crop markets and tenant demand for leasing high quality farmland. Across specialty crops, operator profitability is under some pressure. Participating lease structures are common in many specialty crops, and base lease rates are consistent with or somewhat lower than 2020.

Lease Expirations

Farm leases are often short-term in nature among row crop farms, and longer term in nature among permanent crop farms in our portfolio. As of December 31, 2020, our portfolio had the following lease expirations as a percentage of approximate acres leased and annualized minimum cash rents:

<i>(\$ in thousands)</i> Year Ending December 31,	Approximate Acres	% of Approximate Acres	Annual Cash Rents	% of Annual Cash Rents
2021	46,695	33.9 %	\$ 10,780	40.5 %
2022	32,554	23.6 %	7,249	27.2 %
2023	33,024	23.9 %	5,236	19.7 %
2024	9,038	6.6 %	736	2.8 %
2025	8,502	6.1 %	885	3.3 %
2026 and beyond	8,126	5.9 %	1,716	6.5 %
	137,939	100.0 %	\$ 26,602	100.0 %

As of the date of this report, 1,862 total acres are unleased and we are currently negotiating leases for all of them.

Rental Revenues

Our revenues are primarily generated from renting farmland to operators of farming businesses. Our leases have terms ranging from one to 25 years, with three being the most common. Although the majority of our leases do not provide the tenant with a contractual right to renew the lease upon its expiration, we believe it is customary to provide the existing

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tenant with the opportunity to renew the lease, subject to any increase in the rental rate that we may establish. If the tenant elects not to renew the lease at the end of the lease term, the land will be offered to a new tenant.

The leases for the majority of the properties in our portfolio provide that tenants must pay us at least 50% of the annual rent in advance of each spring planting season. As a result, we collect a significant portion of total annual rents in the first calendar quarter of each year. We believe our use of leases pursuant to which at least 50% of the annual rent is payable in advance of each spring planting season mitigates the tenant credit risk associated with the variability of farming operations that could be adversely impacted by poor crop yields, weather conditions, mismanagement, undercapitalization or other factors affecting our tenants. Tenant credit risk is further mitigated by requiring that our tenants maintain crop insurance and by our claim on a portion of the related proceeds, if any, as well as by our security interest in the growing crop. Prior to acquiring farmland property, we take into consideration the competitiveness of the local farm-operator tenant environment in order to enhance our ability to quickly replace a tenant that is unwilling to renew a lease or is unable to pay a rent payment when it is due. Some of our leases provide for a reimbursement of the property taxes we pay.

As described above, we are assessing the impact, if any, on our ability to collect rent from our tenants as a result of the COVID-19 pandemic. At this time, we expect to continue to be able to collect rents in full and on time. However, the situation is continuing to develop, and we are assessing the potential impact on our tenants on an ongoing basis.

Expenses

Substantially all of our farm leases are structured in such a way that we are responsible for major maintenance, certain insurance and taxes (which are sometimes reimbursed to us by our tenants), while our tenant is responsible for minor maintenance, water usage and all of the additional input costs related to farming operations on the property, such as seed, fertilizer, labor and fuel. We expect that substantially all of the leases for farmland we acquire in the future will continue to be structured in a manner consistent with substantially all of our existing leases. As the owner of the land, we generally only bear costs related to major capital improvements permanently attached to the property, such as irrigation systems, drainage tile, grain storage facilities, permanent plantings or other physical structures customary for farms. In cases where capital expenditures are necessary, we typically seek to offset, over a period of multiple years, the costs of such capital expenditures by increasing rental rates. We also incur the costs associated with maintaining liability and casualty insurance.

We incur costs associated with running a public company, including, among others, costs associated with employing our personnel and compliance costs. We incur costs associated with due diligence and acquisitions, including, among others, travel expenses, consulting fees, and legal and accounting fees. We also incur costs associated with managing our farmland. The management of our farmland, generally, is not labor or capital intensive because farmland generally has minimal physical structures that require routine inspection and maintenance, and our leases, generally, are structured to require the tenant to pay many of the costs associated with the property. Furthermore, we believe that our platform is scalable, and we do not expect the expenses associated with managing our portfolio of farmland to increase significantly as the number of farm properties we own increases over time.

Crop Prices

We believe short-term crop price changes have had little effect historically on farmland values. They also have a limited impact on our rental revenue, as most of our leases provide for a fixed cash rental rate, a common approach in agricultural markets, especially with respect to row crops, for several reasons. This approach recognizes that the value of leased land to a tenant is more closely linked to the total revenue produced on the property, which is driven by crop yield and crop price. This approach simplifies the administrative requirements for the landlord and the tenant significantly. This approach supports the tenants' desire to maintain access to their leased farms, which are in short supply, a concept expanded upon below, by providing the landlord consistent rents. Crop price exposure is also limited because tenants also benefit from the fundamental revenue hedging that occurs when large crop yields mitigate the effect of lower crop prices. Similarly, lower crop yields have a tendency to trigger higher crop prices and help increase revenue even when confronted by lower crop yields. Such hedging effect also limits the impact of short-term crop price changes on revenues generated by leases with a bonus component based on farm revenues. Further risk mitigation is available to tenants, and indirectly to us, via crop insurance and hedging programs implemented by tenants. Our TRS also takes advantage of these risk mitigation programs and strategies.

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We believe quality farmland in the United States has a near-zero vacancy rate as a result of supply and demand fundamentals. Our view is that rental rates for farmland are a function of farmland operators' view of the long-term profitability of farmland and that many farm operators will compete for farmland even during periods of decreased profitability due to the scarcity of farmland available to rent. In particular, we believe that due to the relatively high fixed costs associated with farming operations (including equipment, labor and knowledge), many farm operators in some circumstances will rent additional acres of farmland when they become available in order to allocate their fixed costs over additional acres. Furthermore, because it is generally customary in the industry to provide the existing tenant with the opportunity to re-lease the land at the end of each lease term, we believe that many farm operators will rent additional land that becomes available in order to control the ability to farm that land in future periods. As a result, in our experience, many farm operators will aggressively pursue rental opportunities in their operable geography, even when the farmer anticipates lower current returns or short-term losses.

The value of a crop is affected by many factors that can differ on a yearly basis. Weather conditions and crop diseases in major crop production regions worldwide create a significant risk of price volatility, which may either increase or decrease the value of the crops that our tenants produce each year. Other material factors adding to the volatility of crop prices are changes in government regulations and policy, fluctuations in global prosperity, fluctuations in foreign trade and export markets and eruptions of military conflicts or civil unrest. In addition, although prices for many crops experienced significant declines in 2014 and 2015, in late 2020 and early 2021 they have rebounded to or near prior highs, driven by increased demand expectations from China and modest weather issues around the world. We expect that continued long-term growth trends in global population and GDP per capita will result in increased revenue per acre for primary crops over time. Furthermore, the COVID-19 pandemic has impacted certain specialty crops. We do not believe such declines represent a trend over the long term, but rather a reaction to the decline in economic activity as a result of the pandemic. We expect pricing across specialty crops to strengthen in 2021 as economic disruptions due to the COVID-19 pandemic gradually abate. Although annual rental payments under the majority of our leases are not based expressly on the quality or profitability of our tenants' harvests, any of these factors could adversely affect our tenants' ability to meet their obligations to us and our ability to lease or re-lease properties on favorable terms.

Interest Rates

We expect that future changes in interest rates will impact our overall operating performance by, among other things, affecting our borrowing costs. While we may seek to manage our exposure to future changes in rates through interest rate swap agreements or interest rate caps, portions of our overall outstanding debt will likely remain at floating rates. In addition, a sustained material increase in interest rates may cause farmland prices to decline if the rise in real interest rates (which is defined as nominal interest rates minus the inflation rate) is not accompanied by rises in the general levels of inflation. However, our business model anticipates that over time the value of our farmland will increase, as it has in the past, at a rate that is equal to or greater than the rate of inflation, which may in part offset the impact of rising interest rates on the value of our farmland, but there can be no guarantee that this appreciation will occur to the extent that we anticipate or at all.

International Trade

Following the trade tensions between China and the U.S. that started developing in 2018, the two countries reached a "Phase 1" trade deal in late 2019. At this point, we believe that China and the U.S. will endeavor to largely comply with the Phase 1 trade deal, leading to increased purchases by China of many U.S. agricultural exports. While logistical disruptions introduced by the COVID-19 pandemic have slowed China's compliance with its Phase 1 commitments, U.S. agricultural exports to China have been supported by a combination of tighter global supplies of agricultural commodities and an increase in demand to replenish China's strategic reserves.

Trade tensions have impacted our business mostly in the area of tree nuts – especially almonds, a crop of which we have significant acreage and to which we are exposed through participating rents. For example, a combination of trade tensions and logistical disruptions caused by the COVID-19 pandemic have affected the timing of pricing and sale of the 2020 almond crop, leading to a shift of revenues to the following fiscal year and potentially lower overall revenues.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ significantly from these estimates and assumptions. We have provided a summary of our significant accounting policies in the notes to the historical consolidated financial statements included elsewhere in this filing. We have set forth below those accounting policies that we believe require material subjective or complex judgments and have the most significant impact on our financial condition and results of operations. We evaluate our estimates, assumptions and judgments on an ongoing basis, based on information that is then available to us, our experience and various matters that we believe are reasonable and appropriate for consideration under the circumstances.

Real Estate Acquisitions

When we acquire farmland where substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets it is not considered a business. As such, we account for these types of acquisitions as asset acquisitions. When substantially all of the fair value of the gross assets acquired is not concentrated in a single identifiable asset or a group of similar assets and contains acquired inputs, processes and outputs, these acquisitions are accounted for as a business combination.

We consider single identifiable assets as tangible assets that are attached to and cannot be physically removed and used separately from another tangible asset without incurring significant cost or significant diminution in utility or fair value. We consider similar assets as assets that have a similar nature and risk characteristics.

Whether our acquisitions are treated as an asset acquisition under ASC 360 or a business combination under ASC 805, the fair value of the purchase price is allocated among the assets acquired and any liabilities assumed by valuing the property as if it was vacant. The “as-if-vacant” value is allocated to land, buildings, improvements, permanent plantings and any liabilities, based on management’s determination of the relative fair values of such assets and liabilities as of the date of acquisition.

Upon acquisition of real estate, we allocate the purchase price of the real estate based upon the fair value of the assets and liabilities acquired, which historically have consisted of land, drainage improvements, irrigation improvements, groundwater, permanent plantings (bushes, shrubs, vines, and perennial crops), and grain facilities, and may also consist of intangible assets including in-place leases, above market and below market leases, and tenant relationships. We allocate the purchase price to the fair value of the tangible assets by valuing the land as if it were unimproved. We value improvements, including permanent plantings and grain facilities, at replacement cost, adjusted for depreciation.

Our estimates of land value are made using a comparable sales analysis. Factors considered by us in our analysis of land value include soil types and water availability and the sales prices of comparable farms. Our estimates of groundwater value are made using historical information obtained regarding the applicable aquifer. Factors considered by us in our analysis of groundwater value are related to the location of the aquifer and whether or not the aquifer is a depletable resource or a replenishing resource. If the aquifer is a replenishing resource, no value is allocated to the groundwater. We include an estimate of property taxes in the purchase price allocation of acquisitions to account for the expected liability that was assumed.

When above or below market leases are acquired, we value the intangible assets based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values will be amortized as a reduction of rental income over the remaining term of the respective leases. The fair value of acquired below market leases, included in deferred revenue on the accompanying consolidated balance sheets, is amortized as an increase to rental income on a straight-line basis over the remaining non-cancelable terms of the respective leases, plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases.

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The purchase price is allocated to in-place lease values and tenant relationships, if they are acquired, based on our evaluation of the specific characteristics of each tenant's lease, availability of replacement tenants, probability of lease renewal, estimated down time, and our overall relationship with the tenant. The value of in-place lease intangibles and tenant relationships will be included as an intangible asset and will be amortized over the remaining lease term (including expected renewal periods of the respective leases for tenant relationships) as amortization expense. If a tenant terminates its lease prior to its stated expiration, any unamortized amounts relating to that lease, including (i) above and below market leases, (ii) in-place lease values, and (iii) tenant relationships, would be recorded to revenue or expense as appropriate.

We capitalize acquisition costs and due diligence costs if the asset is expected to qualify as an asset acquisition. If the asset acquisition is abandoned, the capitalized asset acquisition costs will be expensed to acquisition and due diligence costs in the period of abandonment. Costs associated with a business combination are expensed to acquisition and due diligence costs as incurred.

Total consideration for acquisitions may include a combination of cash and equity securities. When equity securities are issued, we determine the fair value of the equity securities issued based on the number of shares of common stock and Common units issued multiplied by the stock price on the date of closing in the case of common stock and Common units and by liquidation preference in the case of preferred stock and preferred units.

Using information available at the time of a business combination, we allocate the total consideration to tangible assets and liabilities and identified intangible assets and liabilities. During the measurement period, which may be up to one year from the acquisition date, the Company may adjust the preliminary purchase price allocations after obtaining more information about assets acquired and liabilities assumed at the date of acquisition.

Real Estate

Our real estate consists of land, groundwater, permanent crops (consisting of trees and vines) and improvements made to the land consisting of grain facilities, irrigation improvements, other assets and drainage improvements. We record real estate at cost and capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. We expense costs of repairs and maintenance as such costs are incurred. We begin depreciating assets when the asset is ready for its intended use. We compute depreciation and depletion for assets classified as improvements using the straight-line method over the estimated useful life of 10-40 years for grain facilities, 2-40 years for irrigation improvements, 20-65 for drainage improvements, 3-50 years for groundwater, 13-40 years for permanent plantings, and 5-40 years for other assets acquired. We periodically evaluate the estimated useful lives for groundwater based on current state water regulations and depletion levels of the aquifers.

When a sale occurs, we recognize the associated gain when all consideration has been transferred, the sale has closed, and there is no material continuing involvement. If a sale is expected to generate a loss, we first assess it through the impairment evaluation process. See “—Impairment of Real Estate Assets” below

Impairment of Real Estate Assets

We evaluate our tangible and identifiable intangible real estate assets for impairment indicators whenever events such as declines in a property's operating performance, deteriorating market conditions, or environmental or legal concerns bring recoverability of the carrying value of one or more assets into question. If such events are present, we project the total undiscounted cash flows of the asset, including proceeds from disposition, and compare it to the net book value of the asset. If this evaluation indicates that the carrying value may not be recoverable, an impairment loss is recorded in earnings equal to the amount by which the carrying value exceeds the fair value of the asset. There have been no impairments recognized on real estate assets in the accompanying financial statements.

Inventory of our TRS

The costs of growing crop are accumulated until the time of harvest at the lower of cost or net realizable value and are included in inventory in our consolidated financial statements. Costs are allocated to growing crops based on a percentage of the total costs of production and total operating costs that are attributable to the portion of the crops that remain in

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inventory at the end of the year. Growing crop consists primarily of land preparation, cultivation, irrigation and fertilization costs incurred by FPI Agribusiness. Growing crop inventory is charged to cost of products sold when the related crop is harvested and sold.

Harvested crop inventory includes costs accumulated during both the growing and harvesting phases and is stated at the lower of those costs or the estimated net realizable value, which is the market price, based upon the nearest market in the geographic region, less any cost of disposition. Cost of disposition includes broker's commissions, freight and other marketing costs.

Revenue Recognition

Rental income includes rents that each tenant pays in accordance with the terms of its lease. Minimum rents pursuant to leases are recognized as revenue on a straight-line basis over the lease term, including renewal options in the case of bargain renewal options. Deferred revenue includes the cumulative difference between the rental revenue recorded on a straight-line basis and the cash rent received from tenants in accordance with the lease terms. Acquired below market leases are included in deferred revenue on the accompanying consolidated balance sheets, which are amortized into rental income over the life of the respective leases, plus the terms of the below market renewal options, if any.

Farm leases in place as of December 31, 2020 had terms ranging from one to forty years. As of December 31, 2020, we had 99 leases over 209 properties with rent escalations. The majority of our leases provide for a fixed annual or semi-annual cash rent payment. Tenant leases on acquired farms generally require the tenant to pay us rent for the entire initial year regardless of the date of acquisition, if the acquisition is closed prior to, or shortly after, planting of crops. If the acquisition is closed later in the year, we typically receive a partial rent payment or no rent payment at all.

Certain of our leases provide for a portion of the rent determined as a percentage of the gross farm proceeds. Revenue under leases providing for a payment equal to a percentage of the gross farm proceeds are recorded at the guaranteed crop insurance minimums and recognized ratably over the lease term during the crop year. Upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified us of the total amount of gross farm proceeds, revenue is recognized for the excess of the actual gross farm proceeds and the previously recognized minimum guaranteed insurance. Revenue derived from a percentage of the farm gross proceeds that is over and above the crop insurance minimums is recognized once crop price and quantity are known (typically at or after the time the crops are harvested). As a result, we are only able to recognize revenue from such leases once annually.

Certain of our leases provide for minimum cash rent plus a bonus based on gross farm proceeds. Revenue under this type of lease is recognized on a straight-line basis over the lease term based on the minimum cash rent. Bonus rent is recognized upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified us of the total amount of gross farm proceeds.

Tenant reimbursements include reimbursements for real estate taxes that each tenant pays in accordance with the terms of its lease. When leases require that the tenant reimburse us for property taxes paid by us, the reimbursement is reflected as tenant reimbursement revenue on the statements of operations, as earned, and the related property tax as property operating expense, as incurred.

We recognize interest income on notes receivable on an accrual basis over the life of the note. Direct origination costs are netted against loan origination fees and are amortized over the life of the note using the straight-line method, which approximates the effective interest method, as an adjustment to interest income which is included in other revenue in the Company's Consolidated Statements of Operations for the years ended December 31, 2020 and 2019.

Crop sales revenue

We record revenue from the sale of harvested crops when the harvested crop has been contracted to be delivered to a grain or packing facility and title has transferred. Harvested crops delivered under marketing contracts are recorded using the fixed price of the marketing contract at the time of delivery to a grain or packing facility. Harvested crops delivered without a marketing contract are recorded using the market price at the date the harvested crop is delivered to the grain or

packing facility and title has transferred.

Other revenue

We recognize interest income on notes receivable on an accrual basis over the life of the note. Direct origination costs are netted against loan origination fees and are amortized over the life of the note using the straight-line method, which approximates the effective interest method, as an adjustment to interest income which is included in other revenue in the Company's Consolidated Statements of Operations for the years ended December 31, 2020 and 2019.

Income Taxes

As a REIT, for income tax purposes we are permitted to deduct dividends paid to our stockholders, thereby eliminating the U.S. federal taxation of income represented by such distributions at the Company level, provided certain requirements are met. REITs are subject to a number of organizational and operational requirements. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax (including, for periods prior to 2018, any applicable alternative minimum tax) on our taxable income at regular corporate tax rates.

The Operating Partnership leases certain of its farms to the TRS, which is subject to federal and state income taxes. We account for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting basis of assets and liabilities and their respective income tax basis and for operating loss, capital loss and tax credit carryforwards based on enacted income tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not they will be realized on consideration of available evidence, including future reversals of existing taxable temporary differences, future projected taxable income and tax planning strategies. There was \$(1.9) million in taxable income from the TRS for the year ended December 31, 2020, and \$(0.2) million in taxable income for the year ended December 31, 2019.

We perform an annual review for any uncertain tax positions and, if necessary, will record future tax consequences of uncertain tax positions in the financial statements. An uncertain tax position is defined as a position taken or expected to be taken in a tax return that is not based on clear and unambiguous tax law and which is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. At December 31, 2020, we did not identify any uncertain tax positions.

When we acquire a property in a business combination, we evaluate such acquisition for any related deferred tax assets or liabilities and determine if a deferred tax asset or liability should be recorded in conjunction with the purchase price allocation. If a built-in gain is acquired, we evaluate the required holding period (generally 5 years) and determine if we have the ability and intent to hold the underlying assets for the necessary holding period. If we have the ability to hold the underlying assets for the required holding period, no deferred tax liability will be recorded with respect to the built-in gain. We determined that no deferred tax assets or liabilities were recorded through acquisition activity that we undertook during the year ended December 31, 2020.

Derivatives and Hedge Accounting

We manage economic risks, including interest rate, liquidity, and credit risk, by managing the amount, sources, duration and interest rate exposure of our funding. We may also use interest rate derivative financial instruments, namely interest rate swaps.

We enter into marketing contracts to sell commodities. Derivatives and hedge accounting guidance requires us to evaluate these contracts to determine whether the contracts are derivatives. Certain contracts that meet the definition of a derivative may be exempt from derivative accounting if designated as normal purchase or normal sales. We evaluate all contracts at inception to determine if they are derivatives and if they meet the normal purchase and normal sale designation requirements. All contracts entered into during the year ended December 31, 2020 met the criteria to be exempt from derivative accounting and were designated as normal purchase and sales exceptions for hedge accounting.

We have in place one interest rate swap agreement with Rabobank to add stability to interest expense and to manage our exposure to interest rate movements. This agreement qualifies as a cash flow hedge and is actively evaluated for its effectiveness (see Note 12 – “Hedge Accounting”). The entire change in the fair value of our designated cash flow hedges is recorded to accumulated other comprehensive income, a component of shareholders’ equity in our consolidated balance sheets.

Additionally, we assesses whether the derivative used in our hedging transaction is expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged item. We discontinue hedge accounting when it is determined that a derivative has ceased to be or is not expected to be highly effective as a hedge, and then reflect changes in fair value of the derivative in earnings after termination of the hedge relationship.

New or Revised Accounting Standards

For a summary of the new or revised accounting standards please refer to “Note 1 – Organization and Significant Accounting Policies” within the notes to the combined consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Results of Operations

This section of this Form 10-K generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. Year-to-year comparisons between 2019 and 2018 that are not included in this Form 10-K can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Comparison of the year ended December 31, 2020 to the year ended December 31, 2019

(\$ in thousands)	For the year ended December 31,		\$ Change	% Change
	2020	2019		
OPERATING REVENUES:				
Rental income	\$ 43,693	\$ 48,119	\$ (4,426)	(9.2)%
Tenant reimbursements	3,637	3,146	491	15.6 %
Crop Sales	1,902	978	924	94.5 %
Other revenue	1,457	1,321	136	10.3 %
Total operating revenues	50,689	53,564	(2,875)	(5.4)%
OPERATING EXPENSES:				
Depreciation and depletion	7,972	8,320	(348)	(4.2)%
Property operating expenses	7,350	7,897	(547)	(6.9)%
Cost of goods sold	3,387	927	2,460	NM
Acquisition and due diligence costs	11	6	5	83.3 %
General and administrative expenses	5,896	6,102	(206)	(3.4)%
Legal and accounting	3,742	3,971	(229)	(5.8)%
Other operating expenses	2	4	(2)	NM
Total operating expenses	28,360	27,227	1,133	4.2 %
OPERATING INCOME	22,329	26,337	(4,008)	(15.2)%
OTHER (INCOME) EXPENSE:				
Other income	111	(260)	371	(142.7)%
Gain on sale of assets	(2,989)	(7,841)	4,852	NM
Interest expense	17,677	19,588	(1,911)	(9.8)%
Total other expense	14,799	11,487	3,312	28.8 %
Net income before income tax expense	7,530	14,850	(7,320)	(49.3)%
Income tax expense	—	—	—	NM
NET INCOME	\$ 7,530	\$ 14,850	\$ (7,320)	(49.3)%

NM = Not Meaningful

Our rental income for 2020 was impacted by the two acquisitions and four dispositions that took place in 2019, in addition to the three acquisitions and seven dispositions, consisting of eleven farms, that took place in 2020. To highlight the effect of changes in our rental income due to acquisitions, we have separately discussed the rental income for the same-property portfolio, which includes only properties owned and operated for the entirety of both periods presented. The same-property portfolio for the year ended December 31, 2020 includes approximately 145,000 acres, representing 94% of our current portfolio on an acreage basis. Total rental income under leases for the same-property portfolio decreased \$3.2 million, or 7.12%, from \$45.4 million for the year ended December 31, 2019 to \$42.2 million for the year ended December 31, 2020, largely due to a decrease in crop share revenue in the permanent crop portfolio as a result of a decrease in demand for lemons and blueberries, and delayed and weak pricing of the 2020 almond crop as a result of the COVID-19 pandemic and trade war related disruptions.

Rental income decreased \$4.4 million, or 9.2%, for the year ended December 31, 2020 as compared to the prior year, as a result of the impact of the COVID-19 pandemic on the demand for lemons and blueberries, the impact of international trade disruptions on the pricing of almonds (resulting in potentially both a delay and reduction of related revenues), the impact of low cyclical yields of pistachios, and asset dispositions.

Revenues recognized from tenant reimbursement of property taxes increased \$0.5 million, or 15.6%, during the year ended December 31, 2020 as compared to the prior year. The increase in tenant reimbursements was the result of an increase in the number of leases in place under which we were reimbursed for property taxes, as well as a general overall increase in property tax expense on a same property basis for which we were reimbursed.

Crop sales increased \$0.9 million, or 94.5%, for the year ended December 31, 2020 as compared to the prior year. The increase is the result of a larger number of properties directly operated by the Company.

Other revenues increased \$0.1 million, or 10.3%, for the year ended December 31, 2020 as compared to the prior year. This change was largely due to a \$0.5 million increase in crop insurance proceeds during 2020, offset by lower interest income on loans receivable.

Depreciation, depletion and amortization expense decreased \$0.3 million, or 4.2%, for the year ended December 31, 2020 as compared to the prior year as a result of selling approximately \$3.1 million in depreciable assets in 2020.

Property operating expenses decreased \$0.5 million, or 6.9%, for the year ended December 31, 2020 as compared to the prior year. The decrease primarily relates to the initial accounting of a sales-type equipment lease in the third quarter of 2019 that was terminated in the first quarter of 2020, as well as an overall net reduction in acreage due to asset sales in 2020.

Cost of goods sold increased \$2.5 million for the year ended December 31, 2020 as compared to the prior year. This increase was largely due to a higher volume of crop sold in 2020 as the Company direct operated more acres in 2020 than in 2019.

Acquisition and due diligence costs were negligible and remained relatively consistent in 2020 compared to the prior year.

General and administrative expenses declined by \$0.2 million, or 3.4%, for the year ended December 31, 2020 as compared to the prior year. The decrease is largely due to lower overall payroll costs for employees and lower travel expenses in 2020 due to the COVID-19 pandemic.

Legal and accounting expenses decreased \$0.2 million, or 5.8%, for the year ended December 31, 2020 as compared to the prior year. The change was primarily a result of a slight decrease in legal fees incurred in relation to a “short and distort” attack against the Company conducted by parties under the pseudonym Rota Fortunae, as discussed below under Note 8 to our Consolidated Financial Statements included in Part IV, Item 8 of this Annual Report on Form 10-K. The Company is pursuing litigation against Rota Fortunae and is defending stockholder class action lawsuits that are related to the claims made by Rota Fortunae. The Company has not recognized any receivable for insurance recoveries that the Company believes it will be entitled to. The Company does not expect insurance proceeds to cover a substantial portion

of the costs related to the lawsuit it filed against Rota Fortunae. Additionally, the Company received \$0.5 million in insurance proceeds related to the Rota Fortunae litigation that were used to offset legal fees. There was no impact on reported earnings as a result.

Other operating expenses were negligible and remained relatively consistent in 2020 compared to the prior year.

Other income totaled \$(0.1) million during the year ended December 31, 2020 compared to \$0.3 million during the prior year. The change is largely attributable to lower interest income and increased losses on commodity trading.

The gain / loss on disposition of assets decreased \$4.9 million for the year ended December 31, 2020 as compared to the prior year due primarily to larger gains on sales of properties in the Corn Belt and the Southeast regions in 2019.

Interest expense decreased \$1.9 million, or 9.8%, for the year ended December 31, 2020 as compared to the prior year. This decrease is related to lower interest rates and paydown of debt principal in 2020.

Liquidity and Capital Resources

Overview

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay any outstanding borrowings, fund and maintain our assets and operations, make distributions to our stockholders and to Common unitholders, and other general business needs.

Our short-term liquidity requirements consist primarily of funds necessary to acquire additional farmland, make other investments consistent with our investment strategy, make principal and interest payments on outstanding borrowings, make distributions on our Series A preferred units and Series B Participating Preferred Stock, make distributions necessary to qualify for taxation as a REIT, fund our operations, and pay legal fees in relation to the Rota Fortunae litigation in excess of the Company's insurance coverage. Our sources of funds primarily will be cash on hand, operating cash flows and borrowings from prospective lenders.

Our long-term liquidity needs consist primarily of funds necessary to acquire additional farmland, make other investments and certain long-term capital expenditures, make principal and interest payments on outstanding borrowings, and make distributions necessary to qualify for taxation as a REIT. In light of the level at which our common stock has traded in recent years, we have not been able to access the equity capital markets in order to fund our liquidity needs. Furthermore, because of the trading price of our common stock, we have been unable to fund acquisitions of farmland with Common units. We may consider raising equity capital or acquiring farmland with common units if we can do so in a way that causes minimal dilution to our existing stockholders. We expect to meet our long-term liquidity requirements through various sources of capital, including net cash provided by operations, long-term mortgage indebtedness and other secured and unsecured borrowings, asset dispositions and, given the recent recovery in our stock price, future equity issuances (including issuances of Common units).

Our ability to incur additional debt will depend on a number of factors, including our degree of leverage, the value of our unencumbered assets, compliance with the covenants under our existing debt agreements, borrowing restrictions that may be imposed by lenders and the conditions of debt markets. Our ability to access the equity capital markets will depend on a number of factors as well, including general market conditions for REITs and market perceptions about us.

We manage our liquidity position and expected liquidity needs taking into consideration current cash balances and reasonably expected cash receipts. Our business model, and the business model of real estate investment companies in general, relies on debt as a structural source of financing. When debt becomes due, it is generally refinanced rather than repaid using our cash flow from operations. When material debt repayments are due within the following 12 months, we work with current and new lenders and other potential sources of capital to ensure that all of our obligations are satisfied in a timely manner. We have a history of being able to refinance our debt obligations to manage our debt maturities. Furthermore, we have a large portfolio of high-quality real estate assets which we believe could be selectively and readily liquidated if necessary to fund our immediate liquidity needs. Our first course of action is to work with our lenders to

refinance debt which is coming due on terms acceptable to us. In the event that we are unsuccessful in refinancing our debt on terms acceptable to us, we would look to liquidate certain assets to fund our liquidity shortfall. On January 29, 2021, the Company entered into an amendment to extend the maturity dates of its five Rutlege Promissory Notes from January 1, 2022 to April 1, 2022.

Consolidated Indebtedness

For further details relating to our consolidated indebtedness refer to “– Recent Developments – Financing Activity” and Note 7 – Mortgage Notes, Line of Credit and Bonds Payable included in the financial statement section of this Annual Report on Form 10-K.

Sources and Uses of Cash

The following table summarizes our cash flows for the years ended December 31, 2020 and 2019:

(\$ in thousands)	For the year ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 19,726	\$ 17,994
Net cash provided by investing activities	\$ 18,668	\$ 31,052
Net cash used in financing activities	\$ (23,738)	\$ (53,376)

Comparison of the year ended December 31, 2020 to the year ended December 31, 2019

As of December 31, 2020, we had \$27.2 million of cash and cash equivalents compared to \$12.6 million at December 31, 2019.

Cash Flows from Operating Activities

Net cash provided by operating activities increased \$1.7 million, primarily as a result of the following:

- Increase in accrued interest of \$1.4 million in 2020 as compared to the same period of 2019;
- Decrease in net income of \$7.3 million in 2020 as compared to the same period in 2019;
- Decrease in gain on disposition of assets of \$4.9 million as compared to the same period in 2019
- Decrease in inventory of \$1.7 million from 2019 to 2020; and
- Increase in loss related to settlement of interest rate swap of \$0.8 million in 2020

Cash Flows from Investing Activities

Net cash provided by investing activities decreased \$12.4 million primarily as a result of the following:

- Completing three asset acquisitions in 2020 for cash consideration of \$0.9 million, and principal receipt on notes receivable of \$0.5 million, as compared to two acquisitions for aggregate cash consideration of \$1.4 million of cash and \$6.7 in principal receipts of notes receivable in 2019;
- Investing of \$2.7 million in real estate improvements during the year ended December 31, 2020, as compared to \$6.6 million in 2019;
- Receiving \$20.5 million from the sale of property in 2020 compared to \$34.1 million in 2019

Cash Flows from Financing Activities

Net cash used in financing activities decreased \$29.6 million primarily as a result of the following:

- Borrowings from mortgage notes payable of \$54.4 million during the twelve months ended December 31, 2020, as compared to borrowings of \$0.0 million in the twelve months ended December 31, 2019;
- Debt repayments of \$59.0 million during 2020, as compared to \$11.4 million in 2019;

- Repurchase of \$6.8 million in common stock during 2020 compared to \$22.0 million in 2019;
- Dividend payments of \$8.8 million to Series B Participating Preferred Stockholders made in 2020, compared to \$9.0 million during 2019;
- Proceeds from the issuance of common stock of \$10.0 million compared to \$0.0 million in 2019;
- Repurchase of \$3.1 million of Series B Participating Preferred Stock during 2020 compared to \$0.9 million in 2019; and
- Dividend payments of \$5.9 million on common stock in 2020, compared to \$6.2 million in 2019.

Contractual Obligations

The following table sets forth our contractual obligations and commitments as of December 31, 2020:

(\$ in thousands) Contractual Obligations	Payments Due by Period				
	2021	2022-2024	2025-2027	2028 & beyond	Total
Principal Payments of Long-Term Indebtedness	\$ -	\$ 114,100	\$ 221,849	\$ 172,237	\$ 508,186
Interest Payments on					
Fixed-Rate Long-Term Indebtedness	11,942	35,827	25,257	32,524	105,550
Variable-Rate Long-Term Indebtedness	2,897	3,418	3,108	332	9,755
Commitment on Mortgage Note Receivable	-	-	-	-	-
Lease Payments	99	-	-	-	99
Capital Commitments	-	-	-	-	-
Total	\$ 14,938	\$ 153,345	\$ 250,214	\$ 205,093	\$ 623,590

(1) Variable rate long-term indebtedness has been determined for purposes of this table based upon the balance and interest rates in place as of December 31, 2020.

Off-Balance Sheet Arrangements

As of December 31, 2020, we did not have any off-balance sheet arrangements.

Non-GAAP Financial Measures

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO")

We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, plus real estate related depreciation, depletion and amortization (excluding amortization of deferred financing costs), and after adjustments for unconsolidated partnerships and joint ventures. FFO is a supplemental non-GAAP financial measure. Management presents FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from sales of depreciable operating properties, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures necessary to maintain the operating performance of improvements on our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

We do not, however, believe that FFO is the only measure of the sustainability of our operating performance. Changes in GAAP accounting and reporting rules that were put in effect after the establishment of NAREIT's definition of FFO in 1999 result in the inclusion of a number of items in FFO that do not correlate with the sustainability of our operating performance. Therefore, in addition to FFO, we present AFFO and AFFO per share, fully diluted, both of which are non-GAAP measures. Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. Even AFFO, however, does not properly capture the timing of cash receipts, especially in connection with full-year rent payments under lease agreements entered into in connection with newly acquired farms. Management considers AFFO per share, fully diluted to be a supplemental metric to GAAP earnings per share. AFFO per share, fully diluted provides additional insight into how our operating performance could be allocated to potential shares outstanding at a specific point in time. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess our performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and AFFO per share, fully diluted and, accordingly, our AFFO and AFFO per share, fully diluted may not always be comparable to AFFO and AFFO per share amounts calculated by other REITs. AFFO and AFFO per share, fully diluted should not be considered as an alternative to net income (loss) or earnings per share (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to net income (loss) earnings per share (determined in accordance with GAAP) as a measure of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make distributions.

AFFO is calculated by adjusting FFO to exclude or include the income and expenses that we believe are not reflective of the sustainability of our ongoing operating performance, as further explained below:

- *Real estate related acquisition and due diligence costs.* Acquisition (including audit fees associated with these acquisitions) and due diligence costs are incurred for investment purposes and therefore, do not correlate with the ongoing operations of our portfolio. We believe that excluding these costs from AFFO provides useful supplemental information reflective of the realized economic impact of our leases, which is useful in assessing the sustainability of our operating performance. Acquisition and due diligence costs totaled \$0.0 million for the years ended December 31, 2020 and 2019, respectively. A portion of the audit fees we incur are directly related to acquisitions, which varies with the number and complexity of the acquisitions we evaluate and complete in a given period. As such, these costs do not correlate with the ongoing operations of our portfolio. Total acquisition related audit fees excluded from AFFO totaled \$0.0 million for the years ended December 31, 2020 and 2019, respectively.
- *Stock based compensation.* Stock based compensation is a non-cash expense and therefore, does not correlate with the ongoing operations. We believe that excluding these costs from AFFO improves comparability of our results over each reporting period and of our Company with other real estate operators.
- *Deferred impact of interest rate swap terminations.* When an interest rate swap is terminated and the related termination fees are rolled into a new swap, the terminated swap's termination fees are amortized over what would have been the remaining life of the terminated swap, while the related contractual and financial obligations extend over the life of the new swap. As a result, the net impact on interest expense is uneven throughout the life of the swap, which is inconsistent with the purpose of an interest rate swap. We believe that, with this adjustment, AFFO better reflects the actual cash cost of the fixed interest rate we are obligated to pay under the new swap agreement, and results in improved comparability of our results across reporting periods.
- *Distributions on Series A preferred units.* Dividends on Series A preferred units, which are convertible into Common units on or after February 10, 2026, have a fixed and certain impact on our cash flow, thus they are subtracted from FFO. We believe this improves comparability of our Company with other real estate operators.
- *Dividends on Series B Participating Preferred Stock.* Dividends on Series B Participating Preferred Stock, which may be redeemed for cash or converted into shares of common stock on or after September 30, 2021, have a fixed and certain impact on our cash flow, thus they are subtracted from FFO. We believe this improves comparability of our Company with other real estate operators.

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- *Common shares fully diluted.* In accordance with GAAP, common shares used to calculate earnings per share are presented on a weighted average basis. Common shares on a fully diluted basis includes shares of common stock, Common units, and unvested shares of restricted stock outstanding at the end of the period on a share equivalent basis, because all shares are participating securities and thus share in the performance of the Company. The conversion of Series A preferred units is excluded from the calculation of common shares fully diluted as they are not participating securities, thus don't share in the performance of the Company and their impact on shares outstanding is uncertain.

The following table sets forth a reconciliation of net income (loss) to FFO, AFFO and net income available to common stockholders per share to AFFO per share, fully diluted, the most directly comparable GAAP equivalents, respectively, for the periods indicated below (unaudited):

	For the year ended December 31,	
	2020	2019
<i>(\$ in thousands except per share data)</i>		
Net income (loss)	\$ 7,530	\$ 14,850
(Gain) loss on disposition of assets	(2,989)	(7,841)
Depreciation and depletion	7,972	8,320
FFO	<u>12,513</u>	<u>15,329</u>
Stock based compensation	1,060	1,527
Deferred impact of interest rate swap terminations	519	—
Real estate related acquisition and due diligence costs	11	—
Distributions on preferred units	(12,334)	(12,486)
AFFO	<u>\$ 1,769</u>	<u>\$ 4,370</u>
AFFO per diluted weighted average share data:		
AFFO weighted average common shares	31,534	32,938
Net income (loss) available to common stockholders	\$ (0.18)	\$ 0.04
Income attributable to redeemable non-controlling interest and non-controlling interest in operating partnership	0.44	0.40
Depreciation and depletion	0.25	0.25
Stock based compensation	0.03	0.05
(Gain) loss on disposition of assets	(0.09)	(0.24)
Real estate related acquisition and due diligence costs	0.00	—
Distributions on preferred units	(0.39)	(0.37)
AFFO per diluted weighted average share	<u>\$ 0.06</u>	<u>\$ 0.13</u>

The following table sets forth a reconciliation of AFFO share information to basic weighted average common shares outstanding, the most directly comparable GAAP equivalent, for the periods indicated below (unaudited):

	For the year ended December 31,	
	2020	2019
<i>(\$ in thousands)</i>		
Basic weighted average shares outstanding	29,376	30,169
Weighted average OP units on an as if converted basis	1,842	2,415
Weighted average unvested restricted stock	316	354
Weighted average redeemable non-controlling interest	—	—
AFFO weighted average common shares	<u>31,534</u>	<u>32,938</u>

As of December 31, 2020 and 2019 we had 32,210,063 and 31,856,400, shares of common stock and Common units outstanding on a fully diluted basis, respectively.

EBITDAre

The Company calculates Earnings Before Interest Taxes Depreciation and Amortization for real estate ("EBITDAre") in accordance with the standards established by NAREIT in its September 2017 White Paper. NAREIT defines EBITDAre as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control),

impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDAre of unconsolidated affiliates. EBITDAre is a key financial measure used to evaluate the Company's operating performance but should not be construed as an alternative to operating income, cash flows from operating activities or net income, in each case as determined in accordance with GAAP. The Company believes that EBITDAre is a useful performance measure commonly reported and will be widely used by analysts and investors in the Company's industry. However, while EBITDAre is a performance measure widely used across the Company's industry, the Company does not believe that it correctly captures the Company's business operating performance because it includes non-cash expenses and recurring adjustments that are necessary to better understand the Company's business operating performance. Therefore, in addition to EBITDAre, management uses Adjusted EBITDAre, a non-GAAP measure.

We further adjust EBITDAre for certain additional items such as stock based compensation, indirect offering costs, real estate acquisition related audit fees and real estate related acquisition and due diligence costs (for a full discussion of these adjustments, see AFFO adjustments discussed above) that we consider necessary to understand our operating performance. We believe that Adjusted EBITDAre provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income and EBITDAre, is beneficial to an investor's understanding of our operating performance.

EBITDAre and Adjusted EBITDAre have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- EBITDAre and Adjusted EBITDAre do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDAre and Adjusted EBITDAre do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDAre and Adjusted EBITDAre do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDAre and Adjusted EBITDAre do not reflect any cash requirements for these replacements; and
- Other companies in our industry may calculate EBITDAre and Adjusted EBITDAre differently than we do, limiting the usefulness as a comparative measure.

Because of these limitations, EBITDAre and Adjusted EBITDAre should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results of operations and using EBITDAre and Adjusted EBITDAre only as a supplemental measure of our performance.

The following table sets forth a reconciliation of our net income to our EBITDAre and Adjusted EBITDAre for the periods indicated below (unaudited):

(\$ in thousands)	<u>For the year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Net income (loss)	\$ 7,530	\$ 14,850
Interest expense	17,677	19,588
Income tax expense	—	—
Depreciation and depletion	7,972	8,320
(Gain) loss on disposition of assets	(2,989)	(7,841)
EBITDAre	<u>\$ 30,190</u>	<u>\$ 34,917</u>
Stock based compensation	1,060	1,527
Real estate related acquisition and due diligence costs	11	—
Adjusted EBITDAre	<u>\$ 31,261</u>	<u>\$ 36,444</u>

Inflation

Most of our farming leases are two to three years for row crops and one to seven years for permanent crops, pursuant to which each tenant is responsible for substantially all of the operating expenses related to the property, including maintenance, water usage and insurance. As a result, we believe that the effect on us of inflationary increases in operating expenses may be offset in part by the operating expenses that are passed through to our tenants and by contractual rent increases because many of our leases will be renegotiated every one to five years. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

Seasonality

Because the leases for a many of the properties in our portfolio require significant payments in advance of the spring planting season, we receive a significant portion of our cash rental payments in the first calendar quarter of each year, although we recognize rental revenue from these leases on a pro rata basis over the non-cancellable term of the lease in accordance with GAAP.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. In pursuing our business strategies, the primary market risk to which we are exposed is interest rate risk. Our primary interest rate exposure will be the daily LIBOR. We may use fixed interest rate financing to manage our exposure to fluctuations in interest rates. On a limited basis, we also may use derivative financial instruments to manage interest rate risk. We will not use such derivatives for trading or other speculative purposes.

At December 31, 2020, \$174.4 million, or 34%, of our debt had variable interest rates. Of our variable interest rate debt, \$33.2 million represents the notional amount on an interest rate swap agreement with one of our lenders that expires in 2023. Assuming no increase in the level of our variable rate debt, if interest rates increased by 1.0%, or 100 basis points, our cash flow would decrease by approximately \$0.8 million per year, net of the notional amount on the swap agreement. At December 31, 2020, LIBOR was approximately 23 basis points. Assuming no increase in the level of our variable rate debt, if LIBOR were reduced to 0 basis points, our cash flow would increase by approximately \$0.9 million per year, net of the notional amount on the swap agreement.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements and supplementary data are included as a separate section of this Annual Report on Form 10-K commencing on page F-1 and are incorporated herein by reference.

Item 9. Changes and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Accordingly,

even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

We have evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosures and procedures were effective at a reasonable level of assurance as of the end of the period covered by this report.

Limitations on the Effectiveness of Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management's Annual Report on Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, the Company's management concluded that our internal controls over financial reporting were effective as of December 31, 2020.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2021 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2021.

Item 11. Executive Compensation

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2021 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2021.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2021 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2021.

Item 13. Certain Relationships and Related Transactions, and Director Independence

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2021 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2021.

Item 14. Principal Accountant Fees and Services

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2021 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following is a list of documents filed as a part of this report:

(1) Financial Statements

Included herein at pages F-1 through F-37.

(2) Financial Statement Schedules

The following financial statement schedule is included herein at pages F-38 through F-45:

Schedule III—Combined Real Estate and Accumulated Depreciation

All other schedules for which provision is made in Regulation S-X are either not required to be included herein under the related instructions, are inapplicable or the related information is included in the footnotes to the applicable financial statement and, therefore, have been omitted.

(3) Exhibits

The exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index on pages 63, 64 and 65 of this report, which is incorporated by reference herein.

Item 16. Form 10-K Summary

The Company has elected to not include a summary.

Exhibit Index

Exhibit No	Description of Exhibit
3.1	Articles of Amendment and Restatement. (Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-11/A, filed on March 24, 2014)
3.2	Articles Supplementary for Farmland Partners Inc. 6.00% Series B Participating Preferred Stock (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on August 16, 2017)
3.3	Second Amended and Restated Bylaws. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on November 14, 2017)
4.1	Form of common stock certificate (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11/A, filed on March 11, 2014)
4.2	Form of Specimen Stock Certificate of 6.00% Series B Participating Preferred Stock (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A, filed on August 16, 2017)
4.3*	Description of Securities Registered under Section 12 of the Exchange Act of Farmland Partners, Inc. (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K, filed on March 13, 2020).
10.1	Second Amended and Restated Agreement of Limited Partnership of Farmland Partners Operating Partnership, LP, dated April 16, 2014. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on April 16, 2014)
10.2†	Farmland Partners Inc. Second Amended and Restated 2014 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-8, filed on May 5, 2015)
10.3†	Form of Restricted Stock Award Agreement for Executive Officers. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on March 9, 2018)
10.4†	Form of Restricted Stock Award Agreement for Directors. (Incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-11/A, filed on March 11, 2014)
10.5*	Indemnification Agreement by and between Farmland Partners Inc. and each of its directors and officers listed on Schedule A thereto.
10.6†	Amended and Restated Employment Agreement, dated December 13, 2018, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Paul A. Pittman. Incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K filed on March 13, 2019)
10.7†	Amended and Restated Employment Agreement, dated December 13, 2018, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Luca Fabbri. (Incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K filed on March 13, 2019)
10.8	Amended and Restated Pledge and Security Agreement, dated as of March 1, 2015, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, Farmer Mac Mortgage Securities Corporation and Federal Agricultural Mortgage Corporation. (Incorporated by Reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 5, 2015)
10.9	Amended and Restated Bond Purchase Agreement, dated as of March 1, 2015, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, Farmer Mac Mortgage Securities Corporation and Federal Agricultural Mortgage Corporation. (Incorporated by Reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 5, 2015)
10.10	Amendment No. 1 to the Amended and Restated Bond Purchase Agreement, dated as of June 2, 2015, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, Farmer Mac Mortgage Securities Corporation and Federal Agricultural Mortgage Corporation. (Incorporated by Reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 5, 2015)
10.11	Amendment No. 2 to the Amended and Restated Bond Purchase Agreement, dated as of August 3, 2015. (Incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K filed on February 23, 2017)
10.12	Amendment No.1 to the Second Amended and Restated Agreement of Limited Partnership of Farmland Partners Operating Partnership, LP (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 3, 2016)

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10.13 [Security Holder's Agreement, dated as of March 2, 2016, by and among Forsythe Family Farms, Inc., Gerald R. Forsythe, Forsythe-Fournier Farms, LLC, Forsythe-Fawcett Farms, LLC, Forsythe-Bernadette Farms, LLC, Forsythe Land Company, Forsythe Family Farms, L.P., Forsythe Family Farms II, L.P., and Forsythe-Breslow Farms, LLC and Farmland Partners Inc. \(Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 3, 2016\)](#)

10.14 [Amendment No. 1 to the Contribution Agreement, dated February 22, 2016, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, FPI Illinois I LLC, and FPI Illinois II, LLC and Forsythe Family Farms, Inc., Gerald R. Forsythe, Forsythe-Fournier Farms, LLC, Forsythe-Fawcett Farms, LLC, Forsythe-Bernadette Farms, LLC, Forsythe Land Company, Forsythe Family Farms, L.P., Forsythe Family Farms II, L.P., and Forsythe-Breslow Farms, LLC. \(Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2016\)](#)

10.15 [Loan Agreement, dated as of March 29, 2016, between FPI Illinois I LLC, FPI Illinois II LLC, Cottonwood Valley Land LLC, PH Farms LLC and FPI Properties LLC and Metropolitan Life Insurance Company. \(Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2016\)](#)

10.16 [Guaranty, dated as of March 29, 2016, by Farmland Partners Operating Partnership, LP in favor of Metropolitan Life Insurance Company. \(Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2016\)](#)

10.17† [Amended and Restated Employment Agreement, dated as of February 6, 2019, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Erica Borenstein. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 12, 2019\)](#)

10.18 [Registration Rights Agreement, dated as of February 2, 2017, by and between Farmland Partners Inc. and each of the holders named therein. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 3, 2017\)](#)

10.19 [Amended and Restated Sub-Advisory Agreement, by and among American Farmland Company, American Farmland Company L.P., American Farmland Advisor LLC and Prudential Mortgage Capital Company, LLC. \(Incorporated by reference to Exhibit 10.7 to American Farmland Company's Registration Statement on Form S-11 \(File No. 333-205260\) filed on June 26, 2015\)](#)

10.20 [Loan Agreement, dated as of December 5, 2013, by and between American Farmland Company L.P. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.28 to American Farmland Company's Annual Report on Form 10-K filed on March 30, 2016\)](#)

10.21 [Loan Agreement, dated as of January 14, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.29 to American Farmland Company's Annual Report on Form 10-K filed on March 30, 2016\)](#)

10.22 [Loan Agreement, dated as of August 18, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.30 to American Farmland Company's Annual Report on Form 10-K filed on March 30, 2016\)](#)

10.23 [Loan Agreement, dated as of December 22, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.1 to American Farmland Company's Current Report on Form 8-K filed on December 29, 2015\)](#)

10.24 [Amendment to Loan Agreements, dated as of December 22, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.2 to American Farmland Company's Current Report on Form 8-K filed on December 29, 2015\)](#)

10.25 [Second Amendment to Loan Agreements, dated as of February 3, 2017, by and between American Farmland Company L.P. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on February 3, 2017\)](#)

10.26 [Guaranty, dated as of February 3, 2017, by and between Farmland Partners Inc. and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on February 3, 2017\)](#)

10.27 [Guaranty, dated as of February 3, 2017, by and between Farmland Partners Operating Partnership, LP and Rutledge Investment Company. \(Incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K filed on February 3, 2017\)](#)

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10.28	Loan Agreement, dated as of February 3, 2017, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.29	Guaranty, dated as of February 3, 2017, by and between Farmland Partners Inc. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.30	Guaranty, dated as of February 3, 2017, by and between Farmland Partners Operating Partnership, LP and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.31	Second Amended and Restated Farmland Partners Inc. 2014 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8 filed on May 4, 2017)
10.32	Amendment No. 2 to the Second Amended and Restated Partnership Agreement of Farmland Partners Operating Partnership, LP (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 16, 2017)
10.33	Amendment No. 3 to the Second Amended and Restated Partnership Agreement of Farmland Partners Operating Partnership, LP (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed November 12, 2019)
10.34	Lease Agreement, dated November 17, 2017, by and between Arnold (CA) LLC and Olam Farming, Inc. (Incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K filed March 15, 2019).
10.35*	Master Real Estate Purchase Agreement, dated as of January 20, 2021, by and between Farmland Partners Operating Partnership, LP and each of the sellers set forth on Attachment A and Promised Land Opportunity Zone Farms I, LLC.
10.36*	Loan Agreement, dated as of October 29, 2020, by and between FPI Carolinas LLC, FPI Colorado LLC, Cottonwood Valley Land LLC, PH Farms LLC, FPI Ironwood LLC and FPI Properties LLC and Metropolitan Life Insurance Company.
21.1*	List of subsidiaries.
23.1*	Consent of Plante Moran, PLLC.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed herewith

† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 19, 2021

FARMLAND PARTNERS INC.

By: /s/ Paul A. Pittman

Paul A. Pittman

Executive Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Paul A. Pittman</u> Paul A. Pittman	Executive Chairman, President and Chief Executive Officer (principal executive officer)	March 19, 2021
<u>/s/ Luca Fabbri</u> Luca Fabbri	Chief Financial Officer (principal financial officer and principal accounting officer)	March 19, 2021
<u>/s/ Chris A. Downey</u> Chris A. Downey	Director	March 19, 2021
<u>/s/ Joseph W. Glauber</u> Joseph W. Glauber	Director	March 19, 2021
<u>/s/ John A. Good</u> John A. Good	Director	March 19, 2021
<u>/s/ Thomas P. Heneghan</u> Thomas P. Heneghan	Director	March 19, 2021
<u>/s/ Toby L. O'Rourke</u> Toby L. O'Rourke	Director	March 19, 2021

Farmland Partners Inc.

**FORM 10-K FOR THE YEAR ENDED
December 31, 2020**

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Note: All other schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Farmland Partners, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Farmland Partners, Inc. (the "Company") as of December 31, 2020 and 2019 the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes and schedule (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Hedge Accounting Applied to Interest Rate Swap of a Designated Cash Flow Hedging Relationship – Refer to Note 12 to the Consolidated Financial Statements

Critical Audit Matter Description

As described in Note 12 to the consolidated financial statements, the Company designates qualifying derivative instruments as cash flow hedges. During 2020, the Company terminated its existing interest rate swap

agreement that was designated as a cash flow hedge and entered into a new interest rate swap agreement to obtain a more favorable interest rate and manage interest rate risk exposure. Accordingly, the Company de-designated the cash flow hedge relationship for the terminated interest rate swap agreement and began amortizing the fair value of the de-designated swap of \$2.6 million over the original term using a forward curve analysis to determine monthly amortization. The Company designated the new interest rate agreement as a cash flow hedge and assessed the effectiveness at inception using regression analysis.

We identified hedge accounting for this transaction as a critical audit matter. Accounting for the termination and entry into a new interest rate swap resulting in de-designation of the previous hedging relationship and designation of the new hedging relationship related to the interest rate swap required significant judgment by management and resulted in significant accounting estimates being applied to the transaction, including the method of amortizing the frozen accumulated other comprehensive loss on the previous hedging relationship, the assessment of the effectiveness of the new hedging relationship, as well as the related presentation and disclosure associated with the transaction. This led to a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the methodology and the reasonableness of related assumptions, as well as the inputs and related calculations in evaluating management's estimates. It also required professionals with specialized skills and knowledge to evaluate these assumptions and their impact on the financial statements, including related presentation and disclosure matters.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to designated cash flow hedging relationships included the following, among others:

- We gained an understanding of the design of the controls over the Company's derivative contracts and hedging relationships, including those to develop key management estimates.
- We tested management's process for determining the amount of frozen other comprehensive loss and the methodology applied to amortize the balance of the cumulative comprehensive loss on the de-designated hedging relationship into earnings in future periods.
- With the assistance of our fair value specialists, we evaluated the Company's determination of hedge effectiveness through regression analysis for reasonableness: our specialists developed an independent expectation of interest rate swap valuation and compared our independent expectation to the Company's regression analysis, noting that we were in agreement with management's conclusion that the hedging relationship was highly effective.
- With the assistance of our fair value specialists, we evaluated the appropriateness of specified inputs supporting management's estimate of the fair values of the interest rate swaps, including the adjustment for credit risk, and we evaluated the appropriateness and consistency of management's methods and assumptions used in developing their estimates.
- We reviewed the overall presentation and disclosure of the transaction in the consolidated financial statements to determine all required disclosures were complete, clear and transparent and that the presentation of the transaction was appropriate.

/s/ Plante & Moran, PLLC

We have served as the Company's auditor since 2018.
Denver, Colorado

March 19 2021

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Farmland Partners Inc.
Consolidated Balance Sheets
(\$ in thousands, except par value and share data)

	December 31,	
	2020	2019
ASSETS		
Land, at cost	\$ 924,952	937,813
Grain facilities	12,091	12,091
Groundwater	10,214	11,473
Irrigation improvements	53,887	53,871
Drainage improvements	12,805	12,674
Permanent plantings	54,374	52,089
Other	8,167	7,827
Construction in progress	9,284	11,911
Real estate, at cost	1,085,774	1,099,749
Less accumulated depreciation	(32,654)	(25,277)
Total real estate, net	<u>1,053,120</u>	<u>1,074,472</u>
Deposits	—	1
Cash	27,217	12,561
Notes and interest receivable, net	2,348	4,767
Right of Use Asset	93	73
Deferred financing fees, net	87	174
Accounts receivable, net	4,120	5,515
Inventory	1,117	1,550
Prepaid expenses and other assets	2,889	3,440
TOTAL ASSETS	<u>\$ 1,090,991</u>	<u>\$ 1,102,553</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Mortgage notes and bonds payable, net	\$ 506,625	511,403
Lease Liability	93	73
Dividends payable	1,612	1,593
Derivative liability	2,899	1,644
Accrued interest	3,446	3,111
Accrued property taxes	1,817	1,873
Deferred revenue	37	71
Accrued expenses	8,272	5,868
Total liabilities	<u>524,801</u>	<u>525,636</u>
Commitments and contingencies (See Note 8)		
Series B Participating Preferred Stock, \$0.01 par value, \$25.00 per share liquidation preference; 6,037,500 shares authorized; 5,831,870 shares issued and outstanding at December 31, 2020, and 5,972,059 shares issued and outstanding at December 31, 2019	139,766	142,861
Redeemable non-controlling interest in operating partnership, preferred units	120,510	120,510
EQUITY		
Common stock, \$0.01 par value, 500,000,000 shares authorized; 30,571,271 shares issued and outstanding at December 31, 2020, and 29,952,608 shares issued and outstanding at December 31, 2019	297	292
Additional paid in capital	345,870	338,387
Retained earnings	1,037	6,251
Cumulative dividends	(54,751)	(48,784)
Other comprehensive income	(2,380)	(1,644)
Non-controlling interests in operating partnership	15,841	19,044
Total equity	<u>305,914</u>	<u>313,546</u>
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST IN OPERATING PARTNERSHIP AND EQUITY	<u>\$ 1,090,991</u>	<u>\$ 1,102,553</u>

See accompanying notes.

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Farmland Partners Inc.
Consolidated Statements of Operations
(in thousands, except per share amounts)

	For the Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Rental income	\$ 43,693	\$ 48,119
Tenant reimbursements	3,637	3,146
Crop Sales	1,902	978
Other revenue	1,457	1,321
Total operating revenues	<u>50,689</u>	<u>53,564</u>
OPERATING EXPENSES		
Depreciation and depletion	7,972	8,320
Property operating expenses	7,350	7,897
Cost of goods sold	3,387	927
Acquisition and due diligence costs	11	6
General and administrative expenses	5,896	6,102
Legal and accounting	3,742	3,971
Other operating expenses	2	4
Total operating expenses	<u>28,360</u>	<u>27,227</u>
OPERATING INCOME	<u>22,329</u>	<u>26,337</u>
OTHER (INCOME) EXPENSE:		
Other income	111	(260)
(Gain) loss on disposition of assets	(2,989)	(7,841)
Interest expense	17,677	19,588
Total other expense	<u>14,799</u>	<u>11,487</u>
Net income before income tax expense	<u>7,530</u>	<u>14,850</u>
Income tax expense	—	—
NET INCOME	<u>7,530</u>	<u>14,850</u>
Net income attributable to non-controlling interest in operating partnership	<u>(411)</u>	<u>(964)</u>
Net income attributable to the Company	<u>\$ 7,119</u>	<u>\$ 13,886</u>
Nonforfeitable distributions allocated to unvested restricted shares	(64)	(77)
Distributions on redeemable non-controlling interests in operating partnership, preferred units	(12,334)	(12,485)
Net (loss) income available to common stockholders of Farmland Partners Inc.	<u>\$ (5,279)</u>	<u>\$ 1,324</u>
Basic and diluted per common share data:		
Basic net (loss) income available to common stockholders	\$ (0.18)	\$ 0.04
Diluted net (loss) income available to common stockholders	\$ (0.18)	\$ 0.04
Distributions declared per common share	\$ 0.2000	\$ 0.2000
Basic weighted average common shares outstanding	29,376	30,169
Diluted weighted average common shares outstanding	29,376	30,169

See accompanying notes.

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Farmland Partners Inc.
Consolidated Statements of Comprehensive Income
(in thousands)

	For the Twelve Months Ended December 31,	
	2020	2019
Net Income	\$ 7,530	\$ 14,850
Amortization of OCI	846	—
Net change associated with current period hedging activities	(1,582)	(779)
Comprehensive Income	6,794	14,071
Comprehensive income attributable to non-controlling interests	(411)	(964)
Net income attributable to Farmland Partners Inc.	<u>\$ 6,383</u>	<u>\$ 13,107</u>

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Farmland Partners Inc.
Consolidated Statements of Equity
(in thousands)

	Stockholders' Equity							Non-controlling Interest in Operating Partnership	Total Equity		
	Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Cumulative Dividends	Other Comprehensive Income	(865)				
	Shares	Par Value									
Balance at December 31, 2018	30,594	300	332,996	4,852	(42,695)		(865)	44,685	339,273		
Net income	—	—	—	13,885	—	—	—	965	14,850		
Issuance of stock (write off of deferred offering costs)	—	—	(218)	—	—	—	—	—	(218)		
Grant of unvested restricted stock	226	—	—	—	—	—	—	—	—		
Forfeiture of unvested restricted stock	(25)	—	(99)	—	—	—	—	—	(99)		
Stock based compensation	2	—	1,527	—	—	—	—	—	1,527		
Dividends accrued or paid	—	—	—	(12,486)	(6,089)	—	—	(430)	(19,005)		
Conversion of common units to shares of common stock	2,678	27	26,217	—	—	—	—	(26,244)	—		
Net change associated with current period hedging transactions	—	—	—	—	—	(779)	—	—	(779)		
Repurchase and cancellation of shares	(3,523)	(35)	(21,968)	—	—	—	—	—	(22,003)		
Adjustment to non-controlling interest resulting from changes in ownership of the Operating Partnership	—	—	(68)	—	—	—	—	68	—		
Balance at December 31, 2019	29,952	292	338,387	6,251	(48,784)	(1,644)	—	19,044	313,546		
Net income	—	—	—	7,118	—	—	—	411	7,529		
Issuance of stock	1,250	12	9,988	—	—	—	—	—	10,000		
Grant of unvested restricted stock	139	—	—	—	—	—	—	—	—		
Forfeiture of unvested restricted stock	(1)	—	—	—	—	—	—	—	—		
Stock based compensation	—	—	1,060	—	—	—	—	—	1,060		
Dividends accrued or paid	—	—	—	(12,332)	(5,967)	—	—	(368)	(18,667)		
Conversion of common units to shares of common stock	265	3	2,974	—	—	—	—	(2,976)	1		
Net change associated with current period hedging transactions	—	—	—	—	—	(736)	—	—	(736)		
Repurchase and cancellation of shares	(1,034)	(10)	(6,809)	—	—	—	—	—	(6,819)		
Adjustment to non-controlling interest resulting from changes in ownership of the Operating Partnership	—	—	270	—	—	—	—	(270)	—		
Balance at December 31, 2020	30,571	\$ 297	\$ 345,870	\$ 1,037	\$ (54,751)	\$ (2,380)	\$ 15,841	\$ 305,914	—		

See accompanying notes.

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Farmland Partners Inc.
Consolidated Statements of Cash Flows
(in thousands)

	<u>For the Years Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 7,530	\$ 14,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion	7,972	8,320
Amortization of discounts/premiums on debt	308	321
Amortization of net origination fees related to notes receivable	—	(1)
Stock based compensation, net of forfeitures	1,060	1,428
(Gain) loss on disposition of assets	(2,989)	(7,841)
Proceeds from litigation insurance	500	—
Bad debt expense	233	542
Loss on settlement of interest rate swap	846	—
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	1,203	1,260
Decrease (increase) in interest receivable	61	(806)
Decrease (increase) in other assets	294	(103)
Decrease (increase) in inventory	433	(1,264)
Increase (decrease) in accrued interest payable	204	(1,242)
Increase in accrued expenses	1,962	2,417
Increase (decrease) in deferred revenue	138	(114)
Increase (decrease) in accrued property taxes	(29)	227
Net cash provided by operating activities	<u>19,726</u>	<u>17,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate acquisitions	(919)	(1,403)
Real estate improvements	(2,655)	(6,583)
Principal receipts on notes receivable	1,772	6,679
Issuance of notes receivable	(8)	(1,781)
Proceeds from sale of property	20,478	34,140
Net cash provided by investing activities	<u>18,668</u>	<u>31,052</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from mortgage notes payable	54,361	—
Repayments on mortgage notes payable	(59,027)	(11,385)
Common stock repurchased	(6,819)	(22,003)
Participating preferred stock repurchased	(3,095)	(896)
Payment of debt issuance costs	(332)	—
Payment of swap fees	(182)	—
Proceeds from issuance of common stock	10,000	—
Dividends on common stock	(5,942)	(6,177)
Dividends on Series A preferred units	(3,510)	(3,510)
Dividends on Series B participating preferred stock	(8,824)	(8,975)
Distributions to non-controlling interest in operating partnership	(368)	(430)
Net cash used in financing activities	<u>(23,738)</u>	<u>(53,376)</u>
NET (DECREASE) INCREASE IN CASH	14,656	(4,330)
CASH, BEGINNING OF PERIOD	12,561	16,891
CASH, END OF PERIOD	<u>\$ 27,217</u>	<u>\$ 12,561</u>
Cash paid during period for interest	\$ 15,477	\$ 20,593
Cash paid during period for taxes	\$ —	\$ —

Farmland Partners Inc.
Consolidated Statements of Cash Flows (continued)
(in thousands)

	For the Years Ended December 31,	
	2020	2019
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Dividends payable, common stock	\$ 1,530	\$ 1,498
Distributions payable, common units	\$ 82	\$ 95
Preferred Unit distributions accrued	\$ 3,510	\$ 3,510
Preferred Share distributions accrued	\$ —	\$ 2,240
Deferred offering costs amortized through equity in the period	\$ —	\$ 218
Additions to real estate improvements included in accrued expenses	\$ 163	\$ —
Right of use asset/lease liability	\$ 93	\$ 197
Swap fees payable included in accrued interest	\$ 146	\$ —
Settlement of outstanding notes receivable with property acquisitions	\$ 487	\$ 1,895

See accompanying notes.

**Farmland Partners Inc.
Notes to Consolidated Financial Statements**

Note 1—Organization and Significant Accounting Policies

Organization

Farmland Partners Inc., collectively with its subsidiaries (the “Company”), is an internally managed real estate company that owns and seeks to acquire high-quality farmland located in agricultural markets throughout North America. The Company was incorporated in Maryland on September 27, 2013. The Company is the sole member of the general partner of Farmland Partners Operating Partnership, LP (the “Operating Partnership”), which was formed in Delaware on September 27, 2013. As of December 31, 2020, the Company owned a portfolio of approximately 155,000 acres which are consolidated in these financial statements. All of the Company’s assets are held by, and its operations are primarily conducted through, the Operating Partnership and the wholly owned subsidiaries of the Operating Partnership. As of December 31, 2020, the Company owned 94.9% of the Class A Common units of limited partnership interest in the Operating Partnership (“Common units”) and none of the Series A preferred units of limited partnership interest in the Operating Partnership (“Series A preferred units”) or shares of our 6.00% Series B Participating Preferred Stock (the “Series B Participating Preferred Stock”). Unlike holders of our common stock, holders of Common units, Series A preferred units, and Series B Participating Preferred Stock, generally do not have voting rights or the power to direct our affairs. See Note 9 to our consolidated financial statements for additional information regarding the Series A preferred units and our Series B Participating Preferred Stock. Unlike holders of the Company’s common stock, holders of Common units and Series A preferred units generally do not have voting rights or the power to direct our affairs. On August 17, 2017, the Company issued 6,037,500 shares of its newly designated 6.00% Series B Participating Preferred Stock, \$0.01 par value per share (the “Series B Participating Preferred Stock”) in an underwritten public offering. Shares of Series B Participating Preferred Stock, which represent equity interests in the Company, generally have no voting rights and rank senior to the Company’s common stock with respect to dividend rights and rights upon liquidation (See “Note 9—Stockholders’ Equity—Series B Participating Preferred Stock” for more information on the Series B Participating Preferred Stock).

The Company elected to be taxed as a real estate investment trust (“REIT”), under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its short taxable year ended December 31, 2014.

On March 16, 2015, the Company formed FPI Agribusiness Inc., a wholly owned subsidiary (the “TRS” or “FPI Agribusiness”), as a taxable REIT subsidiary. The TRS was formed to provide volume purchasing services to the Company’s tenants and also to operate a small scale custom farming business. As of December 31, 2020, the TRS performs these custom farming operations on 3,676 acres of farmland owned by the Company located in California, Florida, South Carolina, and Michigan.

All references to numbers and percent of acres within this report are unaudited.

Principles of Combination and Consolidation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of the Company and the Operating Partnership. All significant intercompany balances and transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the presentation used in 2020. Such reclassification had no effect on net income or total equity.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

results could materially differ from those estimates, particularly in light of the ongoing coronavirus (“COVID-19”) pandemic and its effects on the domestic and global economies. So far, the direct impact of the COVID-19 pandemic on our business and operations has been somewhat limited. The Company has experienced a decrease in crop share revenue related to the permanent crop portfolio as a result of a decrease in demand for lemons and blueberries, and delayed and weaker pricing of the 2020 almonds crop as a result of the COVID-19 pandemic and trade war related disruptions. The pandemic has significantly affected only certain sectors of the U.S. agricultural industry to which we have limited or no direct exposure. Despite short and medium-term disruptions in the U.S. agricultural industry, we do not expect global demand for food, feed, fuel and fiber to be materially affected by the COVID-19 pandemic and the related economic turmoil, and therefore in the long term we expect the industry to experience some degree of transformation, but to survive relatively unscathed compared to other industries. We are unable to quantify what the ultimate impact of the pandemic on our business will be.

Real Estate Acquisitions

When the Company acquires farmland where substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets it is not considered a business. As such, the Company accounts for these types of acquisitions as asset acquisitions. When substantially all of the fair value of the gross assets acquired is not concentrated in a single identifiable asset or a group of similar assets and contains acquired inputs, processes and outputs, these acquisitions are accounted for as a business combination.

The Company considers single identifiable assets as tangible assets that are attached to and cannot be physically removed and used separately from another tangible asset without incurring significant cost or significant diminution in utility or fair value. The Company considers similar assets as assets that have a similar nature and risk characteristics.

Whether the Company’s acquisitions are treated as an asset acquisition under ASC 360 or a business combination under ASC 805, the fair value of the purchase price is allocated among the assets acquired and any liabilities assumed by valuing the property as if it was vacant. The “as-if-vacant” value is allocated to land, buildings, improvements, permanent plantings and any liabilities, based on management’s determination of the relative fair values of such assets and liabilities as of the date of acquisition.

Upon acquisition of real estate under ASC 805, the Company allocates the purchase price of the real estate based upon the fair value of the assets and liabilities acquired, which historically have consisted of land, drainage improvements, irrigation improvements, groundwater, permanent plantings (bushes, shrubs, vines, and perennial crops), and grain facilities, and may also consist of intangible assets including in-place leases, above market and below market leases, and tenant relationships. The Company allocates the purchase price to the fair value of the tangible assets by valuing the land as if it were unimproved. The Company values improvements, including permanent plantings and grain facilities, at replacement cost, adjusted for depreciation.

Management’s estimates of land value are made using a comparable sales analysis. Factors considered by management in its analysis of land value include soil types and water availability and the sales prices of comparable farms. Management’s estimates of groundwater value are made using historical information obtained regarding the applicable aquifer. Factors considered by management in its analysis of groundwater value are related to the location of the aquifer and whether or not the aquifer is a depletable resource or a replenishing resource. If the aquifer is a replenishing resource, no value is allocated to the groundwater. The Company includes an estimate of property taxes in the purchase price allocation of acquisitions to account for the expected liability that was assumed.

When above or below market leases are acquired, the Company values the intangible assets based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values are amortized as a reduction of rental income over the remaining term of the respective leases. The fair value of acquired below market leases,

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

included in deferred revenue on the accompanying consolidated balance sheets, is amortized as an increase to rental income on a straight-line basis over the remaining non-cancelable terms of the respective leases, plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases. As of December 31, 2020, all below market leases had been fully amortized, with amortization totaling \$0.0 million recorded in the twelve months ended December 31, 2020.

As of December 31, 2020 and 2019, the Company had \$1.3 million and \$1.3 million, respectively, recorded for tenant relationship intangibles, gross of accumulated amortization and amortization expense of \$1.3 million and \$1.2 million, respectively. The purchase price is allocated to in-place lease values and tenant relationships, if they are acquired, based on the Company's evaluation of the specific characteristics of each tenant's lease, availability of replacement tenants, probability of lease renewal, estimated down time and its overall relationship with the tenant. The value of in-place lease intangibles and tenant relationships are included as an intangible asset and have been amortized over the remaining lease term (including expected renewal periods of the respective leases for tenant relationships) as amortization expense. If a tenant terminates its lease prior to its stated expiration, any unamortized amounts relating to that lease, including (i) above and below market leases, (ii) in-place lease values, and (iii) tenant relationships, would be recorded to revenue or expense as appropriate.

The Company capitalizes acquisition costs and due diligence costs if the asset is expected to qualify as an asset acquisition. If the asset acquisition is abandoned, the capitalized asset acquisition costs are expensed to acquisition and due diligence costs in the period of abandonment. Costs associated with a business combination are expensed to acquisition and due diligence costs as incurred. During the years ended December 31, 2019 and 2020, the company incurred an immaterial amount of costs related to acquisition and due diligence.

Total consideration for acquisitions may include a combination of cash and equity securities. When equity securities are issued, the Company determines the fair value of the equity securities issued based on the number of shares of common stock and Common units issued multiplied by the price per share of the Company's common stock on the date of closing in the case of common stock and Common units and by liquidation preference in the case of preferred stock and preferred units.

Using information available at the time of business combination, the Company allocates the total consideration to tangible assets and liabilities and identified intangible assets and liabilities. During the measurement period, which may be up to one year from the acquisition date, the Company may adjust the preliminary purchase price allocations after obtaining more information about assets acquired and liabilities assumed at the date of acquisition.

Real Estate Sales

The Company recognizes gains from the sales of real estate assets, generally at the time the title is transferred, consideration is received and the Company no longer has substantial continuing involvement with the real estate sold.

Liquidity Policy

The Company manages its liquidity position and expected liquidity needs taking into consideration current cash balances and reasonably expected cash receipts. The business model of the Company, and of real estate investment companies in general, relies on debt as a structural source of financing. When debt becomes due, it is generally refinanced rather than repaid using the Company's cash flow from operations. The Company has a history of being able to refinance its debt obligations to manage its debt maturities. Furthermore, the Company also has a deep portfolio of real estate assets which management believes could be readily liquidated if necessary to fund any immediate liquidity needs. Management's first course of action is to work with its lenders to refinance debt which is coming due on terms acceptable to the Company. In the event the Company is unsuccessful in refinancing its debt on terms acceptable to the Company, management would look to liquidate certain assets to fund its liquidity shortfall.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Real Estate

The Company's real estate consists of land, groundwater and improvements made to the land consisting of permanent plantings, grain facilities, irrigation improvements, drainage improvements and other improvements. The Company records real estate at cost and capitalizes improvements and replacements when they extend the useful life or improve the efficiency of the asset. Construction in progress includes the costs to build new grain storage facilities and install new pivots, drainage and wells on newly acquired farms. The Company begins depreciating assets when the asset is ready for its intended use.

The Company expenses costs of repairs and maintenance at the time such costs are incurred. The Company computes depreciation and depletion for assets classified as improvements using the straight-line method over their estimated useful lives as follows:

	Years
Grain facilities	10 - 40
Irrigation improvements	2 - 40
Drainage improvements	20 - 65
Groundwater	3 - 50
Permanent plantings	13 - 40
Other	5 - 40

The Company periodically evaluates the estimated useful lives for groundwater based on current state water regulations and depletion levels of the aquifers.

When a sale occurs, the Company recognizes the associated gain or loss when all consideration has been transferred, the sale has closed and there is no material continuing involvement. If a sale is expected to generate a loss, the Company first assesses it through the impairment evaluation process—see “Impairment of Real Estate Assets” below.

Impairment of Real Estate Assets

The Company evaluates its tangible and identifiable intangible real estate assets for impairment indicators whenever events such as declines in a property's operating performance, deteriorating market conditions or environmental or legal concerns bring recoverability of the carrying value of one or more assets into question. If such events are present, the Company projects the total undiscounted cash flows of the asset, including proceeds from disposition, and compares them to the net book value of the asset. If this evaluation indicates that the carrying value may not be recoverable, an impairment loss is recorded in earnings equal to the amount by which the carrying value exceeds the fair value of the asset. There have been no impairments recognized on real estate assets in the accompanying financial statements.

Cash

The Company's cash at December 31, 2020 and 2019 was held in the custody of three financial institutions, and the Company's balance at any given financial institution may at times exceed federally insurable limits. The Company monitors balances with individual financial institutions to mitigate risks relating to balances exceeding such limits.

Debt Issuance Costs

Costs incurred by the Company in obtaining debt are deducted from the face amount of mortgage notes and bonds payable, net except for those costs relating to the Company's lines of credit which are recognized as an asset within deferred financing fees, net. During the year ended December 31, 2020, the Company incurred \$0.3 million in connection with the payoff of Farmer Mac Notes 8A and 9, the Farm Credit of Central Florida Note, with the related issuance of MetLife 10, (as defined in “Note 7—Mortgage Notes, Lines of Credit and Bonds Payable, net”). During the year ended December 31, 2019, the Company incurred no costs in connection with the issuance of debt. Debt issuance costs are

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

amortized using the straight-line method, which approximates the effective interest method, over the terms of the related indebtedness. Any unamortized amounts upon early repayment of mortgage notes payable are written off in the period in which repayment occurs. Fully amortized deferred financing fees are removed from the books upon maturity or repayment of the underlying debt. The Company recorded amortization expense of \$0.3 million for each of the years ended December 31, 2020 and 2019, respectively, which is included in interest expense in the accompanying Consolidated Statements of Operations. Accumulated amortization of deferred financing fees was \$1.3 million and \$1.0 million as of December 31, 2020 and 2019, respectively.

Notes and Interest Receivable

Notes receivable are stated at their unpaid principal balance and include unamortized direct origination costs, prepaid interest and accrued interest through the reporting date, less any allowance for losses and unearned borrower paid points.

Management determines the appropriate classification of debt securities at the time of issuance and reevaluates such designation as of each balance sheet date. As of December 31, 2020, the Company had issued three notes under the FPI Loan Program and have designated each of the notes receivable as loans. Loans are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity computed under the straight-line method, which approximates the effective interest method. Such amortization, including interest, is included in other revenue within our Consolidated Statements of Operations. See "Note 6—Notes Receivable."

Allowance for Notes and Interest Receivable

A note is placed on non-accrual status when management determines, after considering economic and business conditions and collection efforts, that the note is impaired or collection of interest is doubtful. The accrual of interest on the instrument ceases when there is concern that principal or interest due according to the note agreement will not be collected. Any payment received on such non-accrual notes are recorded as interest income when the payment is received. The note is reclassified as accrual-basis once interest and principal payments become current. The Company periodically reviews the value of the underlying collateral of farm real estate for the note receivable and evaluates whether the value of the collateral continues to provide adequate security for the note. Should the value of the underlying collateral become less than the outstanding principal and interest, the Company will determine whether an allowance is necessary. Any uncollectible interest previously accrued is also charged off. As of December 31, 2020, we believe the value of the underlying collateral for each of the notes to be sufficient and in excess of the respective outstanding principal and accrued interest.

Deferred Offering Costs

Deferred offering costs include incremental direct costs incurred by the Company in conjunction with proposed or actual offerings of securities. At the completion of the offering, the deferred offering costs are charged ratably as a reduction of the gross proceeds of equity as stock is issued. If an offering is abandoned, the previously deferred offering costs will be charged to operations in the period in which the abandonment occurs. The Company incurred \$0.0 million in offering costs during the years ended December 31, 2020 and 2019. As of December 31, 2020 and 2019, the Company had \$0.0 million in deferred offering costs related to regulatory, legal, accounting and professional service costs associated with proposed or actual offerings of securities.

Accounts Receivable

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The Company records an allowance for doubtful accounts, reducing the receivables balance to an amount that it estimates is collectible from our customers. Estimates used in determining the allowance for doubtful accounts are based on historical collection experience, current trends, aging of accounts receivable and periodic credit evaluations of the Company's customers' financial condition. The Company creates an allowance for accounts receivable when it becomes apparent, based upon age or

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

customer circumstances, that an amount may not be collectible, such that all current expected losses are sufficiently reserved for at each reporting period. The Company considered its current expectations of future economic conditions, including the impact of COVID-19, when estimating its allowance for doubtful accounts. The allowance for doubtful accounts was \$0.0 million and \$0.1 million as of December 31, 2020 and 2019, respectively, which is recorded on the Consolidated Statement of Operations as a reduction to rental revenue if in relation to revenues recognized in the year, or as property operating expenses if in relation to revenue recognized in the prior years.

Inventory

The costs of growing crops are accumulated until the time of harvest at the lower of cost or net realizable value and are included in inventory in the consolidated balance sheets. Costs are allocated to growing crops based on a percentage of the total costs of production and total operating costs that are attributable to the portion of the crops that remain in inventory at the end of the period. The costs of growing crops incurred by FPI Agribusiness consist primarily of costs related to land preparation, cultivation, irrigation and fertilization. Growing crop inventory is charged to cost of products sold when the related crop is harvested and sold and is included in other operating expenses. The cost of harvested crop sold was \$3.4 million and \$0.9 million for the years ended December 31, 2020 and 2019, respectively.

Harvested crop inventory includes costs accumulated both during the growing and harvesting phases and are stated at the lower of those costs or the estimated net realizable value, which is the market price, based upon the nearest market in the geographic region, less any cost of disposition. Cost of disposition includes broker's commissions, freight and other marketing costs.

General inventory, such as fertilizer, seeds and pesticides, is valued at the lower of cost or net realizable value.

As of December 31, 2020 and December 31, 2019, inventory consisted of the following:

(\$ in thousands)	December 31,	
	2020	2019
Harvested crop	\$ 47	\$ 171
Growing crop	1,070	1,379
General inventory	—	—
	\$ 1,117	\$ 1,550

Revenue Recognition

Rental income includes rents that each tenant pays in accordance with the terms of its lease. Minimum rents pursuant to leases are recognized as revenue on a straight-line basis over the lease term, including renewal options in the case of bargain renewal options. Deferred revenue includes the cumulative difference between the rental revenue recorded on a straight-line basis and the cash rent received from tenants in accordance with the lease terms. Acquired below market leases are included in deferred revenue on the accompanying consolidated balance sheets, which are amortized into rental income over the life of the respective leases, plus the terms of the below market renewal options, if any.

Leases in place as of December 31, 2020 had terms ranging from one to forty years. As of December 31, 2020, the Company had 99 leases over 209 properties with rent escalations. The majority of the Company's leases provide for a fixed annual or semi-annual cash rent payment. Tenant leases on acquired farms generally require the tenant to pay the Company rent for the entire initial year regardless of the date of acquisition, if the acquisition is closed prior to, or shortly after, planting of crops. If the acquisition is closed later in the year, the Company typically receives a partial rent payment or no rent payment at all.

Certain of the Company's leases provide for a rent payment determined as a percentage of the gross farm proceeds (contingent rent). Revenue under leases providing for a payment equal to a percentage of the gross farm proceeds are recorded at the guaranteed crop insurance minimums and recognized ratably over the lease term during the crop year.

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Notes to Consolidated Financial Statements (Continued)

Upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified the Company of the total amount of gross farm proceeds, revenue is recognized for the excess of the actual gross farm proceeds and the previously recognized minimum guaranteed insurance. Contingent rent recognized for the years ended December 31, 2020 and 2019 totaled \$9.3 million and \$11.4 million, respectively.

Certain of the Company's leases provide for minimum cash rent plus a bonus based on gross farm proceeds. Revenue under this type of lease is recognized on a straight-line basis over the lease term based on the minimum cash rent. Bonus rent is recognized upon notification from the tenant of the gross farm proceeds for the year.

Tenant reimbursements include reimbursements for real estate taxes that each tenant pays in accordance with the terms of its lease. When leases require that the tenant reimburse the Company for property taxes paid by the Company, the reimbursement is reflected as tenant reimbursement revenue on the statements of operations, as earned, and the related property tax as property operating expense, as incurred.

Crop sales revenue

The Company records revenue from the sale of harvested crops when the harvested crop has been contracted to be delivered to a grain or packing facility and title has transferred. Harvested crops delivered under marketing contracts are recorded using the fixed price of the marketing contract at the time of delivery to a grain or packing facility. Harvested crops delivered without a marketing contract are recorded using the market price at the date the harvested crop is delivered to the grain or packing facility and title has transferred.

Other revenue

The Company recognizes interest income on notes receivable on an accrual basis over the life of the note. Direct origination costs are netted against loan origination fees and are amortized over the life of the note using the straight-line method, which approximates the effective interest method, as an adjustment to interest income which is included as a component of other revenue in the Company's Consolidated Statements of Operations for the years ended December 31, 2020 and 2019.

Income Taxes

As a REIT, the Company is permitted to deduct dividends, for income tax purposes, paid to its stockholders, thereby eliminating the U.S. federal taxation of income represented by such distributions at the Company level, provided certain requirements are met. REITs are subject to a number of organizational and operational requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to U.S. federal income tax (including, for periods prior to 2018, any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. The Company recorded income tax expense totaling \$0.0 million for the years ended December 31, 2020 and 2019.

The Operating Partnership leases certain of its farms to the TRS, which is subject to federal and state income taxes. The TRS accounts for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting basis of assets and liabilities and their respective income tax basis and for operating loss, capital loss and tax credit carryforwards based on enacted income tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not they will be realized on consideration of available evidence, including future reversals of existing taxable temporary differences, future projected taxable income and tax planning strategies. There was \$(1.9) million in taxable income from the TRS for the year ended December 31, 2020, and \$(0.2) million at December 31, 2019. The Company did not have any deferred tax assets or liabilities for these years.

The Company performs an annual review for any uncertain tax positions and, if necessary, will record future tax consequences of uncertain tax positions in the financial statements. An uncertain tax position is defined as a position taken or expected to be taken in a tax return that is not based on clear and unambiguous tax law and which when examined by

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

taxing authorities is more-likely-than-not to be sustained on review and which is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. At December 31, 2020, the Company did not identify any uncertain tax positions. The Company did not identify any uncertain tax positions related to the 2019 open tax year.

When the Company acquires a property in a business combination, the Company evaluates such acquisition for any related deferred tax assets or liabilities and determines if a deferred tax asset or liability should be recorded in conjunction with the purchase price allocation. If a built-in gain is acquired, the Company evaluates the required holding period (generally 5 years) and determines if it has the ability and intent to hold the underlying assets for the necessary holding period. If the Company has the ability to hold the underlying assets for the required holding period, no deferred tax liability is recorded with respect to the built-in gain. The Company determined that no deferred tax asset or liability should be recorded as a result of any acquisitions that it undertook during the years ended December 31, 2020 and December 31, 2019.

Derivatives and Hedge Accounting

The Company manages economic risks, including interest rate, liquidity, and credit risk, by managing the amount, sources, duration and interest rate exposure of its funding. The Company may also use interest rate derivative financial instruments, namely interest rate swaps.

The Company enters into marketing contracts to sell commodities. Derivatives and hedge accounting guidance requires a company to evaluate these contracts to determine whether the contracts are derivatives. Certain contracts that meet the definition of a derivative may be exempt from derivative accounting if designated as normal purchase or normal sales. The Company evaluates all contracts at inception to determine if they are derivatives and if they meet the normal purchase and normal sale designation requirements. All contracts entered into during the year ended December 31, 2020 met the criteria to be exempt from derivative accounting and were designated as normal purchase and sales exceptions for hedge accounting.

The Company has in place one interest rate swap agreement with Rabobank to add stability to interest expense and to manage its exposure to interest rate movements. This agreement qualifies as a cash flow hedge and is actively evaluated for its effectiveness (see Note 12 – “Hedge Accounting”). The entire change in the fair value of the Company’s designated cash flow hedges is recorded to accumulated other comprehensive income, a component of shareholders’ equity in the Company’s consolidated balance sheets.

Additionally, the Company assesses whether the derivative used in its hedging transaction is expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged item. The Company discontinues hedge accounting when it is determined that a derivative has ceased to be or is not expected to be highly effective as a hedge, and then reflects changes in fair value of the derivative in earnings after termination of the hedge relationship.

Segment Reporting

The Company’s chief operating decision maker does not evaluate performance on a farm-specific or transactional basis and does not distinguish the Company’s principal business or group its operations on a geographical basis for purposes of measuring performance. Accordingly, the Company believes it has a single operating segment for reporting purposes in accordance with GAAP.

Earnings Per Share

Basic earnings per share is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding the weighted average number of unvested restricted shares (“participating securities” as defined in “Note 9—Stockholders’ Equity and non-controlling Interests”). Diluted earnings per share is calculated by dividing net income (loss) available to common

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

stockholders by the weighted-average number of shares of common stock outstanding during the period, plus other potentially dilutive securities such as stock grants or shares that would be issued in the event that Common units are redeemed for shares of common stock of the Company. No adjustment is made for shares that are anti-dilutive during a period.

Non-controlling Interests

The Company's non-controlling interests are interests in the Operating Partnership not owned by the Company. The Company evaluates whether non-controlling interests are subject to redemption features outside of its control. The Company classifies non-controlling interests that are contingently redeemable solely for cash (unless stockholder approval is obtained to redeem for shares of common stock) one year after issuance or deemed probable to eventually become redeemable and which have redemption features outside of its control, as redeemable non-controlling interests in the mezzanine section of the consolidated balance sheets. The amounts reported for non-controlling interests on the Company's Consolidated Statements of Operations represent the portion of income or losses not attributable to the Company.

Stock Based Compensation

From time to time, the Company may award non-vested shares under the Company's Second Amended and Restated 2014 Equity Incentive Plan (the "Plan") as compensation to officers, employees, non-employee directors and non-employee consultants (see "Note 9—Stockholders' Equity and Non-controlling Interests"). The shares issued to officers, employees, and non-employee directors vest over a period of time as determined by the Board of Directors at the date of grant. The Company recognizes compensation expense for non-vested shares granted to officers, employees and directors on a straight-line basis over the requisite service period based upon the fair value of the shares on the date of grant, as adjusted for forfeitures. The Company recognizes expense related to non-vested shares granted to non-employee consultants over the period that services are received.

New or Revised Accounting Standards

Recently adopted

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which changes the method and timing of the recognition of credit losses on financial assets. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities are required to use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowance for losses. This credit loss standard is required to be applied using a modified-retrospective approach and requires a cumulative-effect adjustment to retained earnings be recorded as of the date of adoption. In November 2018, the FASB issued ASU 2018-19, which clarifies that operating lease receivables are outside the scope of the new standard. The Company adopted the new standard on January 1, 2020. The adoption of the standard did not have a material impact on its financial position or results of operations.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848), that provided practical expedients to address existing guidance on contract modifications and hedge accounting due to the expected market transition from the London Inter-bank Offered Rate (“LIBOR”) and other interbank offered rates (together “IBORs”) to alternative reference rates, such as the Secured Overnight Financing Rate. In July 2017, the Financial Conduct Authority announced it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. We refer to this transition as “reference rate reform.”

The first practical expedient allows companies to elect to not apply certain modification accounting requirements to debt, derivative and lease contracts affected by reference rate reform if certain criteria are met. These criteria include the following: (i) the contract referenced an IBOR rate that is expected to be discontinued; (ii) the modified terms directly replace or have the potential to replace the IBOR rate that is expected to be discontinued; and (iii) any contemporaneous changes to other terms that change or have the potential to change the amount and timing of contractual cash flows must be related to the replacement of the IBOR rate. If the contract meets all three criteria, there is no requirement for remeasurement of the contract at the modification date or reassessment of the previous hedging relationship accounting determination.

The second practical expedient allows companies to change the reference rate and other critical terms related to the reference rate reform in derivative hedge documentation without having to de-designate the hedging relationship. This allows for companies to continue applying hedge accounting to existing cash flow and net investment hedges.

The ASU was effective upon issuance on a prospective basis beginning January 1, 2020 and may be elected over time as reference rate reform activities occur. During the first quarter of 2020, the Company elected to apply the hedge accounting practical expedient to its cash flow hedge. The Company will continue to evaluate its debt, derivative and lease contracts that are eligible for modification relief and expects to apply those elections as needed.

Note 2—Revenue Recognition

For the majority of its leases, the Company receives at least 50% of the annual lease payment from tenants either during the first quarter of the year or at the time of acquisition of the related farm, with the remaining 50% of the lease payment due in the second half of the year. Rental income is recorded on a straight-line basis over the lease term. The lease term generally includes periods when a tenant: (1) may not terminate its lease obligation early; (2) may terminate its lease obligation early in exchange for a fee or penalty that the Company considers material enough such that termination would not be probable; (3) possesses renewal rights and the tenant’s failure to exercise such rights imposes a penalty on the tenant material enough such that renewal appears reasonably assured; or (4) possesses bargain renewal options for such periods. Payments received in advance are included in deferred revenue until they are earned.

Certain of the Company’s leases provide for a rent payment determined as a percentage of the gross farm proceeds (contingent rent). Revenue under leases providing for a payment equal to a percentage of the gross farm proceeds are recorded at the guaranteed crop insurance minimums and recognized ratably over the lease term during the crop year. Upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified the Company of the total amount of gross farm proceeds, revenue is recognized for the excess of the actual gross farm proceeds and the previously recognized minimum guaranteed insurance.

Certain of the Company’s leases provide for minimum cash rent plus a bonus based on gross farm proceeds. Revenue under this type of lease is recognized on a straight-line basis over the lease term based on the minimum cash rent. Bonus rent is recognized upon notification from the tenant of the gross farm proceeds for the year.

As of December 31, 2020 and 2019, the Company had \$0.0 million and \$0.1 million, respectively, in deferred revenue. The Company did not have any unamortized below market leases as of December 31, 2020 and 2019, respectively.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

The following represents a summary of the rental income recognized during the three years ended December 31, 2020:

(\$ in thousands)	Rental Income Recognized	
	For the year ended December 31,	2019
	2020	2019
Leases in effect at the beginning of the year	\$ 39,138	\$ 45,977
Leases entered into or amended during the year	4,555	2,142
	\$ 43,693	\$ 48,119

Future minimum lease payments from tenants under all non-cancelable leases in place as of December 31, 2020, including lease advances, when contractually due, but excluding tenant reimbursement of expenses and lease payments based on a percentage of farming revenues, for each of the next five years and beyond as of December 31, 2020 are as follows:

(\$ in thousands)	Year Ending December 31,	Future Rental Payments
2021	\$ 28,103	
2022	16,629	
2023	8,716	
2024	3,421	
2025	2,601	
2026 and beyond	23,493	
	\$ 82,963	

Since lease renewal periods are exercisable at the option of the lessee, the preceding table presents future minimum lease payments due during the initial lease term only.

The Company records revenue from the sale of harvested crops when the harvested crop has been contracted to be delivered to a grain or packing facility and title has transferred. Revenues from the sale of harvested crops totaling \$1.9 million and \$1.0 million were recognized for the years ended 2020 and 2019, respectively. Harvested crops delivered under marketing contracts are recorded using the fixed price of the marketing contract at the time of delivery to a grain or packing facility. Harvested crops delivered without a marketing contract are recorded using the market price at the date the harvested crop is delivered to the grain or packing facility and title has transferred.

Note 3—Concentration Risk

Credit Risk

For the years ended December 31, 2020 and 2019, the Company had certain tenant concentrations as presented in the table below. If a significant tenant, representing a tenant concentration, fails to make rental payments to the Company or elects to terminate its leases, and the land cannot be re-leased on satisfactory terms, there would be a material adverse effect on the Company's financial performance and the Company's ability to continue operations. The following is a summary of our significant tenants:

(\$ in thousands)	Rental Income Recognized	
	For the year ended December 31,	2019
	2020	2019
Tenant A ⁽¹⁾	\$ 2,042	\$ 5,905
Tenant B ⁽¹⁾	7,924	7,056
	4.6 %	12.2 %
	17.8 %	14.6 %

(1) The Company has numerous permanent crop leases with these major farming companies located in California.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Geographic Risk

The following table summarizes the percentage of approximate total acres owned as of December 31, 2020 and 2019, and straight line and crop share rental income recorded by the Company for the years then ended by location of the farm:

Location of Farm	Approximate % of Total Acres		Rental Income	
	As of December 31,		For the year ended December 31,	
	2020	2019	2020	2019
Alabama	0.4 %	0.4 %	0.2 %	0.2 %
Arkansas	8.9 %	9.1 %	4.2 %	4.4 %
California	7.5 %	7.3 %	32.6 %	34.6 %
Colorado	15.8 %	15.5 %	5.7 %	5.4 %
Florida	3.0 %	3.0 %	2.5 %	2.1 %
Georgia	3.4 %	3.4 %	2.3 %	2.1 %
Illinois	24.7 %	24.5 %	26.7 %	24.5 %
Kansas	1.3 %	1.2 %	0.4 %	0.3 %
Louisiana	5.5 %	5.3 %	3.1 %	3.1 %
Michigan	0.4 %	0.3 %	0.4 %	0.8 %
Mississippi	2.8 %	3.1 %	1.8 %	1.7 %
North Carolina	10.7 %	10.5 %	7.8 %	7.4 %
Nebraska	3.8 %	3.8 %	3.3 %	3.3 %
South Carolina	9.9 %	9.5 %	8.0 %	8.2 %
South Dakota	1.1 %	1.0 %	0.4 %	0.8 %
Texas	0.0 %	1.3 %	0.2 %	0.7 %
Virginia	0.8 %	0.8 %	0.4 %	0.4 %
	100.0 %	100.0 %	100.0 %	100.0 %

Note 4—Related Party Transactions

On July 21, 2015, the Company entered into a lease agreement with American Agriculture Aviation LLC (“American Ag Aviation”) for the use of a private plane. American Ag Aviation is a Colorado limited liability company that is owned 100% by Mr. Pittman, the Company’s CEO. During the years ended December 31, 2020 and 2019, the Company incurred costs of \$0.1 million and \$0.1 million, respectively, from American Ag Aviation for use of the aircraft in accordance with the lease agreement. These costs were recognized based on the nature of the associated use of the aircraft, as follows: (i) general and administrative - expensed as general and administrative expenses within the Company’s Consolidated Statements of Operations; (ii) land acquisition (accounted for as an asset acquisition) - allocated to the acquired real estate assets within the Company’s consolidated balance sheets; and (iii) land acquisition (accounted for as a business combination) - expensed as acquisition and due diligence costs within the Company’s Consolidated Statements of Operations. As of December 31, 2020 and 2019 the Company had outstanding payables to American Agriculture Aviation LLC of \$0.01 million and \$0.01 million, respectively.

Note 5—Real Estate

As of December 31, 2020, the Company owned approximately 155,000 acres.

During the year ended December 31, 2020, the Company completed three acquisitions which were accounted for as asset acquisitions in Illinois and Michigan. Aggregate consideration for these acquisitions totaled \$1.4 million and was comprised of \$0.9 million in cash and a \$0.5 million reduction in notes receivable and related interest to the seller through the acquisition of collateralized property. No intangible assets were acquired through these acquisitions.

During the year ended December 31, 2020, the Company completed seven dispositions consisting of eleven farms in Texas, Illinois, Nebraska, Arkansas, and Mississippi. Cash receipts totaled \$20.1 million with a total gain on sale of \$3.2 million.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

During the year ended December 31, 2019, the Company completed two acquisitions which were accounted for as asset acquisitions in Illinois and Colorado. Aggregate consideration for these acquisitions totaled \$3.3 million and was comprised of \$1.4 million in cash and a \$1.9 million reduction in notes receivable and related interest to the seller through the acquisition of collateralized property. No intangible assets were acquired through these acquisitions.

During the year ended December 31, 2019, the Company completed four dispositions consisting of seven farms in Illinois, Michigan, Florida, and Arkansas. Cash receipts totaled \$35.1 million with a total gain on sale of \$7.9 million.

Note 6—Notes Receivable

In August 2015, the Company introduced an agricultural lending product aimed at farmers as a complement to the Company's business of acquiring and owning farmland and leasing it to farmers (the "FPI Loan Program"). Under the FPI Loan Program, the Company makes loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects and for other farming and agricultural real estate related projects. The Company seeks to make loans that are collateralized by farm real estate or growing crops and in principal amounts of \$0.1 million or more at fixed interest rates with maturities of up to six years. The Company expects the borrower to repay the loans in accordance with the loan agreements based on farming operations and access to other forms of capital, as permitted.

In addition to loans made under the FPI Loan Program, the Company, on certain occasions, makes short-term loans to tenants secured by collateral other than real estate, such as growing crops, equipment or inventory, when the Company believes such loans will ensure the orderly completion of farming operations on a property owned by the Company for a given crop year and other credit is not available to the borrower.

Notes receivable are stated at their unpaid principal balance and include unamortized direct origination costs and accrued interest through the reporting date, less any allowance for losses and unearned borrower paid points. The Company monitors its receivables based upon historical collection experience, collateral values and current trends. Accrued interest write-offs are recognized as credit loss expense. The Company's estimate of expected credit losses on its notes receivable principal balance is \$0.0 million as of December 31, 2020 and December 31, 2019. The Company recorded \$0.00 million and \$0.20 million of credit loss expense related to interest receivables during the twelve months ended December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, the Company held the following notes receivable:

(\$ in thousands)	Payment Terms	Principal Outstanding as of	Principal Outstanding as of	
Loan		December 31, 2020	December 31, 2019	Maturity
Mortgage Note (1)	Principal & interest due at maturity	\$ -	\$ 1,804	1/15/2017
Mortgage Note (2)	Principal & interest due at maturity	229	234	12/7/2028
Mortgage Note (2)	Principal due at maturity & interest due monthly	2,135	2,145	3/16/2022
Mortgage Note (3)	Principal & interest due at maturity	-	62	3/1/2020
Line of Credit (3)	Principal & interest due at maturity	-	369	3/1/2020
Total outstanding principal		2,364	4,614	
Interest receivable (net prepaid interest)		277	565	
Provision for loan receivable		(293)	(412)	
Total notes and interest receivable		<u><u>\$ 2,348</u></u>	<u><u>\$ 4,767</u></u>	

(1) In January 2016 the maturity date of the note was extended from January 15, 2016 to January 15, 2017 with the year 1 interest received at the time of the extension and principal and remaining interest due at maturity. On July 28, 2017 the Company notified the borrower of default on the Promissory Note. In December 2019, the Company began the process of selling the underlying collateralized property to settle the principal and accrued interest. The note was settled during the three months ended June 30, 2020.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

(2) The original note was renegotiated and a second note was entered into simultaneously with the borrower during the three months ended March 31, 2017. The notes include mortgages on two additional properties in Colorado that include repurchase options for the properties at a fixed price that are exercisable between the third and fifth anniversary of the notes by the borrower.

(3) This note was repaid in full during the three months ended March 31, 2020.

A reconciliation of the carrying amount of mortgage loans for the years ended December 31, 2020 and 2019 is set out below:

(\$ in thousands)	Years ended December 31,	
	2020	2019
Balance at beginning of year	\$ 4,614	\$ 11,159
Additions during year:		
New mortgage loans and additional advances on existing loans	8	1,781
Interest income added to principal	-	-
Amortization of discount	-	-
	4,622	12,940
Deductions during year:		
Collection of principal	451	8,285
Foreclosure	1,807	41
Balance at end of year	\$ 2,364	\$ 4,614

The collateral for the mortgage notes receivable consists of real estate and improvements present on such real estate. For income tax purposes the aggregate cost of the investment of the mortgage notes is the carrying amount per the table above.

Fair Value

FASB ASC 820-10 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1*—Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- *Level 2*—Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable or can be substantially corroborated for the asset or liability, either directly or indirectly.
- *Level 3*—Inputs to the valuation methodology are unobservable, supported by little or no market activity.

The fair value of notes receivable is valued using Level 3 inputs under the hierarchy established by GAAP and is calculated based on a discounted cash flow analysis, using interest rates based on management's estimates of market interest rates on mortgage notes receivable with comparable terms and credit risk whenever the interest rates on the notes receivable are deemed not to be at market rates. As of December 31, 2020 and 2019, the fair value of the notes receivable was \$2.4 million and \$4.6 million, respectively.

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Notes to Consolidated Financial Statements (Continued)

Note 7—Mortgage Notes, Lines of Credit and Bonds Payable

As of December 31, 2020 and 2019, the Company had the following indebtedness outstanding:

(\$ in thousands)	Loan	Payment Terms	Interest Rate Terms	Annual Interest Rate as of December 31,		Principal Outstanding as of December 31,	Maturity	Book Value of Collateral as of December 31,	
				2020	2019			2020	2019
Farmer Mac Bond #6	Farmer Mac Bond #6	Semi-annual interest only	3.69%	3.69%	3.69%	13,827	13,827	April 2025	\$ 21,441
Farmer Mac Bond #7	Farmer Mac Bond #7	Semi-annual interest only	3.68%	3.68%	3.68%	11,160	11,160	April 2025	\$ 18,570
Farmer Mac Bond #8A (1)	Farmer Mac Bond #8A (1)	Semi-annual interest only	3.20%	3.20%	3.20%	-	41,700	June 2020	—
Farmer Mac Bond #9 (1)	Farmer Mac Bond #9 (1)	Semi-annual interest only	3.35%	3.35%	3.35%	-	6,600	July 2020	\$ 7,940
			3.30% adjusted every three years	3.30%	3.30%	85,188	87,942	March 2026	\$ 190,768
MetLife Term Loan #1 (2)	MetLife Term Loan #1 (2)	Semi-annual interest only	4.27% adjusted every three years	4.27%	4.27%	16,000	16,000	March 2026	\$ 32,323
MetLife Term Loan #2	MetLife Term Loan #2	Semi-annual interest only	4.27% adjusted every three years	4.27%	4.27%	21,000	21,000	March 2026	\$ 27,817
MetLife Term Loan #3	MetLife Term Loan #3	Semi-annual interest only	3.30% adjusted every three years	4.27%	4.27%	15,685	15,685	June 2026	\$ 31,266
MetLife Term Loan #4 (2)	MetLife Term Loan #4 (2)	Semi-annual interest only	3.50% adjusted every three years	3.30%	3.30%	8,379	8,379	January 2027	\$ 14,281
MetLife Term Loan #5	MetLife Term Loan #5	Semi-annual interest only	3.45% adjusted every three years	3.50%	3.45%	27,158	27,158	February 2027	\$ 58,087
MetLife Term Loan #6	MetLife Term Loan #6	Semi-annual interest only	3.20% adjusted every three years	3.20%	3.20%	17,153	17,153	June 2027	\$ 39,470
MetLife Term Loan #7	MetLife Term Loan #7	Semi-annual interest only	4.12% fixed until 2027	4.12%	4.12%	44,000	44,000	December 2042	\$ 110,042
MetLife Term Loan #8	MetLife Term Loan #8	Semi-annual interest only	4.19% adjusted every three years	4.19%	4.19%	21,000	21,000	May 2028	\$ 41,339
MetLife Term Loan #9	MetLife Term Loan #9	Semi-annual interest only	3.00% adjusted every three years	3.00%	3.00%	53,277	—	October 2030	\$ 112,258
MetLife Term Loan #10 (4)	MetLife Term Loan #10 (4)	Semi-annual interest only	LIBOR + 2.6875% adjusted monthly	2.94%	2.94%	—	4,890	September 2023	\$ 14,745
Farm Credit of Central Florida (1)	Farm Credit of Central Florida (1)	(3)	LIBOR + 1.70% adjustable every three years	1.85%	62,358	64,358	March 2028	\$ 131,819	\$ 135,432
Rabobank	Rabobank	Semi-annual interest only	3 month LIBOR + 1.3% adjusted quarterly	1.56%	17,000	17,000	January 2022	\$ 29,857	\$ 29,820
Rutledge Note Payable #1 (5)	Rutledge Note Payable #1 (5)	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	1.56%	25,000	25,000	January 2022	\$ 40,403	\$ 39,468
Rutledge Note Payable #2 (5)	Rutledge Note Payable #2 (5)	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	1.56%	25,000	25,000	January 2022	\$ 48,164	\$ 45,764
Rutledge Note Payable #3 (5)	Rutledge Note Payable #3 (5)	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	1.56%	15,000	15,000	January 2022	\$ 29,226	\$ 29,170
Rutledge Note Payable #4 (5)	Rutledge Note Payable #4 (5)	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	1.56%	30,000	30,000	January 2022	\$ 84,406	\$ 85,287
Total outstanding principal				508,185	512,852			\$ 1,061,537	\$ 1,051,603
Debt issuance costs				(1,560)	(1,449)				
Unamortized premium, net of amortization				\$ 506,625	\$ 511,403				
Total mortgage notes and bonds payable, net									

- (1) On October 29, 2020, the Company entered into a \$54.4 million term loan with MetLife (MetLife Term Loan #10), the proceeds of which were used to refinance this indebtedness.
- (2) During the year ended December 31, 2017 the Company converted the interest rate on Metlife Term Loans 1 and 4 from variable to fixed rates for a term of three years. Once the term expires the new rate will be determined based on the loan agreements.
- (3) Loan is an amortizing loan with quarterly interest payments that commenced on January 1, 2017 and quarterly principal payments that commence on October 1, 2018, with all remaining principal and outstanding interest due at maturity. This loan was paid down entirely on October 29, 2020 through a refinancing and subsequent issuance of MetLife Term Loan #10.
- (4) Loan was issued on October 29, 2020 as part of a refinancing that paid down the outstanding principal and interest on Farmer Mac Bond 8A, Farmer Mac Bond 9, and Farm Credit of Central Florida.
- (5) On January 29, 2021 the Rutledge Facility maturity was extended to April 1, 2022

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Notes to Consolidated Financial Statements (Continued)

Farmer Mac Facility

As of December 31, 2020 and December 31, 2019, the Operating Partnership had \$25.0 million and \$73.3 million outstanding, respectively, under the Farmer Mac facility. The Farmer Mac facility is subject to the Company's ongoing compliance with a number of customary affirmative and negative covenants, as well as financial covenants, including: a maximum leverage ratio of not more than 60%; a minimum fixed charge coverage ratio of 1.50 to 1.00; and a minimum tangible net worth requirement. The Company was in compliance with all applicable covenants at December 31, 2020.

MetLife Term Loans

As of December 31, 2020 and December 31, 2019, the Company and the Operating Partnership had \$308.8 million and \$258.3 million outstanding, respectively (the "Metlife loans"), under the loan agreements between certain of the Operating Parnterhip's subsidiaries and Metropolitan Life Insurance Company ("MetLife") (together, the "MetLife loan agreements"). Each of the MetLife loan agreements contains a number of customary affirmative and negative covenants, including the requirement to maintain a loan to value ratio of no greater than 60%.

In connection with each of the MetLife loan agreements, the Company and the Operating Partnership each entered into separate guarantees whereby the Company and the Operating Partnership jointly and severally agree to unconditionally guarantee the obligations under the Metlife loan agreements (the "MetLife guarantees"). The MetLife guarantees contain a number of customary affirmative and negative covenants.

The Company was in compliance with all covenants under the MetLife loan agreements and MetLife guarantees as of December 31, 2020.

Each of the MetLife loan agreements includes certain customary events of default, including a cross-default provision related to other outstanding indebtedness of the borrowers, the Company and the Operating Partnership, the occurrence of which, after any applicable cure period, would permit MetLife, among other things, to accelerate payment of all amounts outstanding under the MetLife loans and to exercise its remedies with respect to the pledged collateral, including foreclosure and sale of the Company's properties that collateralize the MetLife loans.

On October 29, 2020, certain wholly owned subsidiaries of the Operating Partnership, entered into a loan agreement with MetLife, which provides for a term loan of \$54.4 million ("Term Loan 10"). The proceeds of Term Loan 10 was used to repay certain existing debt with near-term maturities. Term Loan 10 matures on October 22, 2030 and is secured by first and senior lien mortgages on certain of the Company's properties.

Interest on Term Loan 10 is payable in cash semi-annually and accrues at an initial rate of 3.00% per annum, which may be adjusted by MetLife on each of October 1, 2023, October 1, 2026 and October 1, 2029 to an interest rate agreed upon between the borrower's subsidiaries and MetLife. If no such agreement exists on the third business day prior to the scheduled adjustment, the interest rate will then be adjusted to a rate consistent with interest rates quoted by MetLife for substantially similar loans secured by real estate substantially similar to the Company's properties securing Term Loan 10.

Subject to certain conditions, up to 50% of the original principal amount of Term Loan 10 may be prepaid without premium or penalty in any calendar year. Additionally, the entire unpaid principal balance of Term Loan 10 may be prepaid without premium or penalty during the 75 day period following a rate adjustment or during the 30 day period preceding October 22, 2030. Any other prepayments under Term Loan 10 generally are subject to a minimum prepayment premium of 1.00%.

The Term Loan 10 loan agreement includes certain customary events of default, including a cross-default provision related to other outstanding indebtedness of the borrower subsidiaries, the Company and the Operating Partnership, the occurrence of which, after any applicable cure period, would permit MetLife, among other things, to accelerate payment

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Notes to Consolidated Financial Statements (Continued)

of all amounts outstanding under Term Loan 10 and to exercise its remedies with respect to the pledged collateral, including foreclosure and sale of the Company's properties that collateralize Term Loan 10.

In connection with Term Loan 10, on October 29, 2020, the Company and the Operating Partnership each entered into a separate guarantee whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrower subsidiaries' obligations under the Term Loan 10 loan agreement.

Farm Credit of Central Florida Mortgage Note

As of December 31, 2020 and December 31, 2019, the Company and the Operating Partnership had \$0.0 million and \$4.9 million outstanding, respectively, and approximately \$5.1 million had been drawn down under the Farm Credit mortgage note facility. Proceeds from the Farm Credit mortgage note were used for the development of additional properties.

On October 29, 2020, the proceeds of a refinancing with MetLife were used to repay all outstanding principal and interest on this note.

Rutledge Credit Facility

As of December 31, 2020 and December 31, 2019, the Company and the Operating Partnership had \$112.0 million outstanding under the Rutledge facility. As of December 31, 2020, \$0 remains available under this facility and the Company was in compliance with all covenants under the Rutledge loan agreements.

In connection with each of the Rutledge loan agreements, the Company and the Operating Partnership each entered into separate guarantees whereby the Company and the Operating Partnership jointly and severally agree to unconditionally guarantee the obligations under the Rutledge loan agreements (the "Rutledge guarantees"). The Rutledge guarantees contain a number of customary affirmative and negative covenants.

Rabobank Mortgage Note

As of December 31, 2020 and December 31, 2019, the Company and the Operating Partnership had \$62.4 million and \$64.4 million outstanding, respectively, under the Rabobank mortgage note. The Company was in compliance with all covenants under the Rabobank mortgage note as of December 31, 2020.

LIBOR

LIBOR is expected to be discontinued after 2021. As of December 31, 2020, the Company had \$174.4 million of variable-rate debt outstanding with interest rates tied to LIBOR and maturity dates beyond 2021. There can be no assurances as to what the alternative base rate will be in the event that LIBOR is discontinued, and the Company can provide no assurances whether that base rate will be more or less favorable than LIBOR. The Company intends to monitor the developments with respect to the phasing out of LIBOR after 2021 and work with its lenders to ensure that any transition away from LIBOR will have minimal impact on its financial condition, but can provide no assurances regarding the impact of LIBOR discontinuation.

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Aggregate Maturities

As of December 31, 2020, aggregate maturities of long-term debt for the succeeding years are as follows:

<i>(<u>\$ in thousands</u>)</i> Year Ending December 31,	Future Maturities
2021	\$ —
2022	112,000
2023	—
2024	2,100
2025	27,087
Thereafter	366,998
	\$ 508,185

Fair Value

The fair value of the mortgage notes payable is valued using Level 3 inputs under the hierarchy established by GAAP and is calculated based on a discounted cash flow analysis, using interest rates based on management's estimates of market interest rates on long-term debt with comparable terms whenever the interest rates on the mortgage notes payable are deemed not to be at market rates. As of December 31, 2020 and 2019, the fair value of the mortgage notes payable was \$535.1 million and \$518.9 million, respectively.

Note 8—Commitments and Contingencies

The Company is not currently subject to any known material contingencies arising from its business operations, nor to any material known or threatened litigation other than as discussed below.

In April 2015, the Company entered into a lease agreement for office space which the Company extended in March 2020 through July 31, 2021. The lease commenced June 1, 2015 and had an initial monthly payment of \$10,032, which increased to \$10,200 in June 2016, \$10,366 in June 2017, \$10,534 in June 2018, \$10,701 in June 2019 and \$12,373 in August 2020. Beginning in 2019, the Company recognized right of use assets and related lease liabilities in the consolidated balance sheets. The Company estimated the value of the lease liabilities using a discount rate equivalent to the rate we would pay on a secured borrowing with similar terms to the lease. Options to extend the lease in our minimum lease terms unless the option is reasonably certain to be exercised are excluded. Our total lease cost for the years ended December 31, 2020 and 2019 was \$0.1 million and \$0.1 million, respectively. As of December 31, 2020, the lease has a remaining term of 8 months and a discount rate of 3.35%. On December 23, 2020 the Company entered into a six month lease for a small satellite office space. As the lease is short term in nature, the Company did not record a right of use asset or liability associated with the lease. Minimum annual rental payments under these operating leases, reconciled to the lease liability included in accrued liabilities and other in our consolidated balance sheets, are as follows (in thousands):

<i>(<u>\$ in thousands</u>)</i> Year Ending December 31,	Future Rental Payments
2021	\$ 99
2022	—
2023	—
2024	—
2025 and beyond	—
	\$ 99

Litigation

On July 11, 2018, a purported class action lawsuit, captioned Kachmar v. Farmland Partners Inc. (the “Kachmar Action”), was filed in the United States District Court for the District of Colorado against the Company and certain of our

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officers by a purported Company stockholder. The complaint alleges, among other things, that our disclosure related to the FPI Loan Program was materially false and misleading in violation of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. On August 17, 2018, a second purported class action, captioned Mariconda v. Farmland Partners Inc. (the “Mariconda Action”) was filed in the United States District Court for the District of Colorado, alleging substantially identical claims as the Kachmar Action. Several purported shareholders moved to consolidate the Kachmar Action and the Mariconda Action and for appointment as Lead Plaintiff. On November 13, 2018, the plaintiff in the Kachmar action voluntarily dismissed the Kachmar Action. On December 3, 2018, the court appointed two purported stockholders of the Company, the Turner Insurance Agency, Inc. and Cecilia Turner (the “Turners”), as lead plaintiffs in the Mariconda Action. On March 11, 2019, the court-appointed lead plaintiffs and additional plaintiff Obelisk Capital Management filed an amended complaint in the Turner Action. On April 15, 2019, the defendants moved to dismiss the amended complaint in the Turner Action. On June 18, 2019, the court denied the defendants’ motion to dismiss the amended complaint in the Turner Action. The defendants answered the amended complaint on July 2, 2019. On December 6, 2019, plaintiffs voluntarily dismissed Obelisk Capital Management from the case. In connection with Obelisk Capital Management’s dismissal from the case, defendants filed a motion for judgment on the pleadings on December 10, 2019, which automatically stayed discovery in the action pending the court’s determination of the motion. On December 16, 2019, plaintiffs filed a motion for class certification, seeking to have the Turners and purported stockholder Don Brokop appointed as class representative. On December 27, 2019, plaintiffs filed a motion for leave to file a second amended complaint to add Brokop as additional plaintiff in place of Obelisk Capital Management. Defendants filed a response opposing the motion for leave to file a second amended complaint on January 17, 2020, and filed a motion to adjourn the class certification briefing schedule in light of the discovery stay on January 29, 2020. On December 8, 2020, the court granted the Turners motion to amend to add Brokop as an additional plaintiff and denied the company’s motion for judgment on the pleadings. As a result, the automatic discovery stay was lifted and the court entered a schedule for proceedings going forward. The company, Mr. Pittman, and Mr. Fabbri filed an opposition to plaintiffs’ motion for class certification on February 8, 2021. On February 17, 2021, plaintiffs filed a motion to withdraw the Turners as lead plaintiffs and to substitute Brokop as lead plaintiff. Discovery remains ongoing. At this time, no class has been certified in the Turner Action and we do not know the amount of damages or other remedies being sought by the plaintiffs. The Company can provide no assurances as to the outcome of this litigation or provide an estimate of related expenses at this time.

On December 18, 2018, a purported stockholder of the Company, Jack Winter, filed a complaint in the Circuit Court for Montgomery County, Maryland (the “Winter Action”), purporting to assert breach of fiduciary duty claims derivatively on the Company’s behalf against the Company’s directors and certain of the Company’s officers. The Winter Action alleges, among other things, that the Company’s directors and certain of the Company’s officers breached their fiduciary duties to the Company by allowing the Company to make allegedly false and misleading disclosures related to the FPI Loan Program, as alleged in the Turner Action. On April 26, 2019, Winter voluntarily dismissed his complaint in the Circuit Court for Montgomery County Maryland. On May 14, 2019, Winter re-filed his complaint in the United States District Court for the District of Colorado. The Winter Action has been stayed pending further proceedings in the Turner Action.

On November 25, 2019, another purported shareholder, Shawn Luger, filed a complaint derivatively on behalf of the Company and against certain of our officers in the Circuit Court for Baltimore City, Maryland (the “Luger Action”). The Luger Action complaint makes similar claims to those in the Turner and Winter Actions. The parties to the Luger Action stipulated to a stay of the case pending further proceedings in the Turner Action and filed a joint motion to stay on February 7, 2020. On February 14, 2020, another purported shareholder, Brent Hustedde, filed a complaint derivatively on behalf of the Company and against certain of our officers in Maryland state court (the “Hustedde Action”). The Hustedde Action complaint makes similar claims to those in the Turner, Winter, Luger, and Barber Actions. On June 26, 2020, the parties reached an agreement to lift the stay in the Luger Action. On September 14, 2020, plaintiffs in the Luger and Hustedde Actions moved to consolidate the two Actions. On September 23, 2020, the Court consolidated the Luger and Hustedde action under the caption *In re Farmland Partners Inc. Stockholder Litigation* (the “Stockholder Litigation”). The Luger and Hustedde (the “Derivative Plaintiffs”), the plaintiffs in the Stockholder Litigation, filed a consolidated amended complaint on October 30, 2020. The Company moved to dismiss the complaint in the Stockholder Litigation on December

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15, 2020. The Derivative Plaintiffs filed their opposition to the Company's motion to dismiss on February 12, 2021. The Company's reply brief in further support of its motion to dismiss is due to be filed on March 19, 2021. By agreement of the parties, the individual defendants' time to respond to the complaint in the Stockholder Litigation is adjourned until decision on the Company's motion to dismiss.

On November 26, 2019, another purported shareholder, Anna Barber, filed a complaint derivatively on behalf of the Company and against certain of our officers in the United States District Court for the District of Colorado (the "Barber Action"). The Barber Action complaint makes similar claims to those in the Turner, Winter, and Luger Actions. The Barber Action has been stayed pending further proceedings in the Turner Action.

On July 24, 2018, we filed a lawsuit in the District Court, Denver County, Colorado, against "Rota Fortunae" (a pseudonym for Quinton Mathews, the individual behind Rota Fortunae) and numerous co-conspirators (collectively, "Wheel of Fortune") in response to an article posted on Seeking Alpha that makes numerous allegations about the Company that we believe to be false or materially misleading. We believe that as a consequence of Wheel of Fortune's internet posting and related postings on social media, the trading price of our common stock declined by approximately 40%. We believe that Wheel of Fortune's, including Quinton Mathews's, internet posting was made in connection with a "short and distort" scheme to profit from a decline in our stock price based on false and misleading information. The lawsuit that we filed alleges that Wheel of Fortune, including Quinton Mathews, disseminated material false, misleading and defamatory information about us that has harmed us and our stockholders. The Company does not expect insurance proceeds to cover a substantial portion of the costs related to the lawsuit we filed against Wheel of Fortune. On May 15, 2020, United States District Court for the District of Colorado to which this case was removed issued orders (i) denying Rota Fortunae's motion to dismiss our claims; and (ii) requiring him to disclose his identity. On July 28, 2020, the Court granted our motion to amend the complaint to Quinton Mathew's name as well as the following co-conspirators: QKM, L.L.C., Sabrepoint Capital Management, LP, Donald Marchiony and George Baxter. On February 26, 2021 the Court granted the motion of Sabrepoint Capital Management, LP, Donald Marchiony, and George Baxter to dismiss them on personal jurisdiction grounds. The case is currently in the discovery phase.

Repurchase Options

For certain of the Company's acquisitions, the seller has retained the option is given to the seller to repurchase the property at a future date for a price, calculated based on an appreciation factor over the original purchase price plus improvements on the property, that at the time of the acquisition the Company expected would be at or above the property's fair market value at the exercise date. On September 4, 2020, the seller in one of such acquisitions the Company's tenants exercised its right to repurchase approximately 2,860 acres in South Carolina. The Company received a non-refundable initial payment of \$2.9 million upon exercise. The Company is scheduled to receive a series of non-refundable payments until the closing date, which is currently scheduled to close take place on or before January 15, 2025. As of December 31, 2020, the Company has an approximate aggregate net book value of \$10.8 million related to assets with unexercised repurchase options, and \$15.9 million related to assets with exercised repurchase options.

Note 9—Stockholders' Equity and Non-controlling Interests

Non-controlling Interest in Operating Partnership

The Company consolidates its Operating Partnership, a majority-owned partnership. As of December 31, 2020, the Company owned 94.9% of the outstanding Common units and the remaining 5.1% of the Common units are included in non-controlling interest in Operating Partnership on the consolidated balance sheets.

On or after 12 months of becoming a holder of Common units, unless the terms of an agreement with such Common unitholder dictate otherwise, each limited partner, other than the Company, has the right, subject to the terms and conditions set forth in the Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as amended (the "Partnership Agreement"), to tender for redemption all or a portion of such Common units in exchange for cash, or in

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Notes to Consolidated Financial Statements (Continued)

the Company's sole discretion, for shares of the Company's common stock on a one-for-one basis. If cash is paid in satisfaction of a redemption request, the amount will be equal to the number of tendered units multiplied by the fair market value per share of the Company's common stock on the date of the redemption notice (determined in accordance with, and subject to adjustment under, the terms of the Partnership Agreement). Any redemption request must be satisfied by the Company on or before the close of business on the tenth business day after the Company receives a notice of redemption. During the years ended December 31, 2020 and 2019, the Company issued 265,000 and 2,678,187, respectively, of shares of common stock upon redemption of 265,000 and 2,678,187, respectively, Common units that had been tendered for redemption. There were 1.6 million and 1.9 million outstanding Common units eligible to be tendered for redemption as of December 31, 2020 and December 31, 2019, respectively.

If the Company gives the limited partners notice of its intention to make an extraordinary distribution of cash or property to its stockholders or effect a merger, a sale of all or substantially all of its assets, or any other similar extraordinary transaction, each limited partner may exercise its right to tender its Common units for redemption, regardless of the length of time such limited partner has held its Common units.

Regardless of the rights described above, the Operating Partnership will not have an obligation to issue cash to a unitholder upon a redemption request if the Company elects to redeem the Common units for shares of common stock. When a Common unit is redeemed, non-controlling interest in the Operating Partnership is reduced and controlling interest stockholders' equity is increased.

The Operating Partnership intends to make distributions on each Common unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the Common units held by the Company being utilized to make distributions to the Company's common stockholders.

Pursuant to the consolidation accounting standard with respect to the accounting and reporting for non-controlling interest changes and changes in ownership interest of a subsidiary, changes in parent's ownership interest when the parent retains controlling interest in the subsidiary should be accounted for as equity transactions. The carrying amount of the non-controlling interest shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. As a result of equity transactions including and subsequent to the IPO, changes in the ownership percentages between the Company's stockholders' equity and non-controlling interest in the Operating Partnership occurred during each of the two years ended December 31, 2020. To reflect these changes, adjustments were made to increase / (decrease) the non-controlling interest in the Operating Partnership by \$(0.3) million and \$0.1 million during the years ended December 31, 2020 and 2019 respectively, with the corresponding offsets to additional paid-in capital.

Redeemable Non-controlling Interests in Operating Partnership, Series A preferred units

On March 2, 2016, the sole general partner of the Operating Partnership entered into Amendment No. 1 (the "Amendment") to the Partnership Agreement in order to provide for the issuance, and the designation of the terms and conditions, of the Series A preferred units. Under the Amendment, among other things, each Series A preferred unit has a \$1,000 liquidation preference and is entitled to receive cumulative preferential cash distributions at a rate of 3.00% per annum of the \$1,000 liquidation preference, which is payable annually in arrears on January 15 of each year or the next succeeding business day. The cash distributions are accrued ratably over the year and credited to redeemable non-controlling interest in operating partnership, Series A preferred units on the balance sheet with the offset charged to retained earnings. On March 2, 2016, 0.1 million Series A preferred units were issued as partial consideration in the Forsythe farm acquisition (See "Note 5—Real Estate"). Upon any voluntary or involuntary liquidation or dissolution, the Series A preferred units are entitled to a priority distribution ahead of Common units in an amount equal to the liquidation preference plus an amount equal to all distributions accumulated and unpaid to the date of such cash distribution. Total liquidation value of such preferred units as of December 31, 2020 and December 31, 2019 was \$120.5 million and \$120.5 million, respectively, including accrued distributions.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

On or after February 10, 2026 (the “Conversion Right Date”), holders of the Series A preferred units have the right to convert each Series A preferred unit into a number of Common units equal to (i) the \$1,000 liquidation preference plus all accrued and unpaid distributions, divided by (ii) the volume-weighted average price per share of the Company’s common stock for the 20 trading days immediately preceding the applicable conversion date. All Common units received upon conversion may be immediately tendered for redemption for cash or, at the Company’s option, for shares of common stock on a one-for-one basis, subject to the terms and conditions set forth in the Partnership Agreement. Prior to the Conversion Right Date, the Series A preferred units may not be tendered for redemption by the Holder.

On or after February 10, 2021, the fifth anniversary of the closing of the Forsythe acquisition, but prior to the Conversion Right Date, the Operating Partnership has the right to redeem some or all of the Series A preferred units, at any time and from time to time, for cash in an amount per unit equal to the \$1,000 liquidation preference plus all accrued and unpaid distributions.

In the event of a Termination Transaction (as defined in the Partnership Agreement) prior to conversion, holders of the Series A preferred units generally have the right to receive the same consideration as holders of Common units and common stock, on an as-converted basis.

Holders of the Series A preferred units have no voting rights except with respect to (i) the issuance of partnership units of the Operating Partnership senior to the Series A preferred units as to the right to receive distributions and upon liquidation, dissolution or winding up of the Operating Partnership, (ii) the issuance of additional Series A preferred units and (iii) amendments to the Partnership Agreement that materially and adversely affect the rights or benefits of the holders of the Series A preferred units.

The Series A preferred units are accounted for as mezzanine equity on the consolidated balance sheet as the units are convertible and redeemable for shares at a determinable price and date at the option of the holder upon the occurrence of an event not solely within the control of the Company.

The following table summarizes the changes in our redeemable non-controlling interest in the Operating Partnership for the years ended December 31, 2020 and 2019:

<i>(in thousands)</i>	Preferred	
	Redeemable OP Units	Redeemable Non-controlling Interests
Balance at December 31, 2018	117	\$ 120,510
Distribution paid to non-controlling interest	—	(3,510)
Accrued distributions to non-controlling interest	—	3,510
Balance at December 31, 2019	<u>117</u>	<u>\$ 120,510</u>
Balance at December 31, 2019	117	\$ 120,510
Distribution paid to non-controlling interest	—	(3,510)
Accrued distributions to non-controlling interest	—	3,510
Balance at December 31, 2020	<u>117</u>	<u>\$ 120,510</u>

Series B Participating Preferred Stock

On August 17, 2017, the Company and the Operating Partnership entered into an underwriting agreement with Raymond James & Associates, Inc. and Jefferies LLC, as representatives of the underwriters, pursuant to which the Company sold 6,037,500 shares of its newly designated Series B Participating Preferred Stock, at a public offering price of \$25.00 per share, which is the Initial Liquidation Preference (as defined below) of the Series B Participating Preferred Stock.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Shares of Series B Participating Preferred Stock, which represent equity interests in the Company, generally have no voting rights and rank senior to the Company's common stock with respect to dividend rights and rights upon liquidation. Each preferred share of Series B Participating Preferred Stock is entitled to receive cumulative preferential cash dividends at a rate of 6.00% per annum of the \$25 liquidation preference, which is payable quarterly in arrears on the last day of each March, June, September and December (the "Initial Liquidation Preference"). Upon liquidation, before any payment or distribution of the assets of the Company is made to or set apart for the holders of equity securities ranking junior to the Series B Participating Preferred Stock, the holders of the Series B Participating Preferred Stock will be entitled to receive the sum of:

- (i) the Initial Liquidation Preference,
- (ii) adjusted by an amount equal to 50% of the cumulative change in the estimated value of farmland in the states in which the Company owned farmland as of June 30, 2017 (measured by reference to a publicly available report released annually by the National Agricultural Statistics Board, the Agricultural Statistics Board and the U.S. Department of Agriculture) (the "FVA Adjustment"), and
- (iii) all accrued and unpaid dividends, subject to a 9.0% cap on total return (the "Final Liquidation Preference").

After September 30, 2021, but prior to September 30, 2024, the Company at its option, may redeem all, but not less than all, of the then-outstanding shares of Series B Participating Preferred Stock at any time, for cash or for shares of common stock at a price equal to the Final Liquidation Preference plus an amount equal to the product of:

- (i) the Final Liquidation Preference, and
- (ii) the average change in land values in states in which the Company owned farmland as of June 30, 2017 over the immediately preceding four years and multiplied by a constant percentage of 50% and prorated for the number of days between the most recent release of the publicly available land value report used to calculate the FVA Adjustment (if such amount is positive) (the "Premium Amount").

At any time on or after September 30, 2024, the Company, at its option, may redeem or convert to shares of common stock all, but not less than all, of the then-outstanding shares of Series B Participating Preferred Stock at the redemption price per share equal to:

- (i) the Initial Liquidation Preference, plus
- (ii) the FVA Amount, plus
- (iii) any accrued and unpaid dividends.

The total rate of return on shares of the Series B Participating Preferred Stock is subject to a cap such that the total rate of return, when considering the Initial Liquidation Preference, the FVA Adjustment and the Premium Amount plus accrued and unpaid dividends, will not exceed 9.0%. Based on the data released by the USDA in August 2020 in their land values 2020 summary, the FVA Amount as of 2020 was determined to be \$0.80 per share of Series B Participating Preferred Stock.

In connection with the issuance of the Series B Participating Preferred Stock, the sole general partner of the Operating Partnership entered into Amendment No. 2 to the Partnership Agreement in order to provide for the issuance, and the designation of the terms and conditions, of newly classified 6.00% Series B participating preferred units of limited partnership interest in the Operating Partnership ("Series B participating preferred units"), the economic terms of which are identical to those of the Series B Participating Preferred Stock. The Company contributed the net proceeds from the offering of the Series B Participating Preferred Stock to the Operating Partnership in exchange for 6,037,500 Series B participating preferred units.

The shares of Series B Participating Preferred Stock are accounted for as mezzanine equity on the consolidated balance sheet as the Series B Participating Preferred Stock is convertible and redeemable for common shares at a

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

determinable price and date at the option of the Company but upon the occurrence of an event not solely within the control of the Company.

During the year ended December 31, 2020 and 2019, the balance recorded in mezzanine equity relating to the Series B Participating Preferred Stock was \$139.8 million and \$142.9 million, respectively. During the year ended December 31, 2020, and December 31, 2019 the Company declared and paid dividends relating to the Series B Participating Preferred Stock of \$8.8 million and \$9.0 million, respectively.

Distributions

The Company's Board of Directors declared and the Company paid the following distributions to common stockholders and holders of Common units for the years ended December 31, 2020 and 2019:

Fiscal Year	Declaration Date	Record Date	Payment Date	Distributions per Common Share/OP unit
2020	March 11, 2020	April 1, 2020	April 15, 2020	\$ 0.0500
	May 6, 2020	July 1, 2020	July 15, 2020	\$ 0.0500
	August 4, 2020	October 1, 2020	October 15, 2020	\$ 0.0500
	November 3, 2020	January 1, 2021	January 15, 2021	\$ 0.0500
				<u><u>\$ 0.2000</u></u>
2019	February 7, 2019	April 1, 2019	April 15, 2019	0.0500
	May 8, 2019	July 1, 2019	July 15, 2019	0.0500
	August 6, 2019	October 1, 2019	October 15, 2019	\$ 0.0500
	November 11, 2019	January 1, 2020	January 15, 2020	\$ 0.0500
				<u><u>\$ 0.2000</u></u>

Additionally, in connection with the 3.00% cumulative preferential distribution on the Series A preferred units, the Company accrued \$3.5 million in distributions payable as of December 31, 2020 which was paid on January 15, 2021. The distributions are payable annually in arrears on January 15 or the next business day, of each year.

In general, common stock cash dividends declared by the Company will be considered ordinary income to stockholders for income tax purposes. From time to time, a portion of the Company's dividends may be characterized as capital gains or return of capital. During the years ended December 31, 2020 and 2019, 47% and 2%, respectively, of the income distributed in the form of dividends was characterized as ordinary income.

Share Repurchase Program

On March 15, 2017, the Company's board of directors approved a program to repurchase up to \$25 million in shares of the Company's common stock. In November 2017, the board of directors approved repurchases of the Company's Series B Participating Preferred Stock from time to time under the share repurchase program. Subsequently on August 1, 2018, the board of directors increased the authority under the share repurchase program by an aggregate of \$30 million. On November 7, 2019, the board of directors increased the authority under the program by an additional \$50 million. Repurchases under this program may be made from time to time, in amounts and prices as the Company deems appropriate. Repurchases may be made in open market or privately negotiated transactions in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, subject to market conditions, applicable legal requirements, trading restrictions under the Company's insider trading policy and other relevant factors. This share repurchase program does not obligate the Company to acquire any particular amount of common stock or Series B Preferred Stock and it may be modified or suspended at any time at the Company's discretion. The Company funds repurchases under the program using cash on its balance sheet. During 2020, the Company had repurchased 1,034,167 shares at an average price per share of \$6.59 for a total cost of approximately \$6.8 million and 140,189 shares of its Series B preferred stock for \$3.1 million at an average price of \$22.08 per share. As of December 31, 2020, the Company had approximately \$41.1 million in shares

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

that it can repurchase under the stock repurchase plan.

Equity Incentive Plan

On May 3, 2017, the Company's stockholders approved the Second Amended and Restated 2014 Equity Incentive Plan (as amended and restated, the "Plan"), which increased the aggregate number of shares of the Company's common stock reserved for issuance under the Plan to approximately 1.3 million shares. As of December 31, 2020, there were 0.2 million of shares available for future grants under the Plan.

The Company may issue equity-based awards to officers, employees, independent contractors and other eligible persons under the Plan. The Plan provides for the grant of stock options, share awards (including restricted stock and restricted stock units), stock appreciation rights, dividend equivalent rights, performance awards, annual incentive cash awards and other equity based awards, including LTIP units, which are convertible on a one-for-one basis into Common units. The Plan provides for a maximum of 1.3 million shares of common stock for issuance. The terms of each grant are determined by the Compensation Committee of the Board of Directors.

During 2020 the Company granted 0.1 million restricted shares of common stock, with an aggregate grant date fair value of \$0.9 million, to employees and directors. The restricted shares vest ratably over a one, three or five-year vesting period, subject to continued service.

During 2019 the Company granted 0.2 million restricted shares of common stock, with an aggregate grant date fair value of \$1.4 million, to employees and directors. The restricted shares vest ratably over a one, three or five-year vesting period, subject to continued service.

During 2020, no restricted shares of common stock were forfeited by independent directors and employees.

During 2019, 25,423 restricted shares of common stock were forfeited by independent directors and employees. The Company had recorded \$28,046 in stock based compensation and paid \$3,688 in dividends with respect to such restricted shares. In connection with the forfeiture of restricted shares, the Company reversed \$5,249 in previously recorded compensation expense, net of the dividends paid.

A summary of the non-vested restricted shares as of December 31, 2020 and 2019 is as follows:

<i>(shares in thousands)</i>	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2019	299	\$ 11.16
Granted	226	\$ 6.07
Vested	(155)	\$ 9.63
Forfeited	(25)	\$ 6.32
Unvested at December 31, 2019	345	\$ 9.49
Granted	139	\$ 6.23
Vested	(168)	\$ 8.24
Forfeited	—	\$ —
Unvested at December 31, 2020	316	\$ 6.46

For the years ended December 31, 2020 and 2019, the Company recognized \$1.1 million and \$1.4 million, respectively, of stock-based compensation expense related to these restricted stock awards. As of December 31, 2020 and 2019, there was \$1.2 million and \$1.4 million, respectively, of total unrecognized compensation costs related to non-vested stock awards which are expected to be recognized over weighted-average periods of 1.5 years.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Earnings per Share

The computation of basic and diluted earnings (loss) per share is as follows:

(\$ in thousands except per share data)	For the year ended December 31,	
	2020	2019
Numerator:		
Net income (loss) attributable to Farmland Partners Inc.	\$ 7,119	\$ 13,886
Less: Nonforfeitable distributions allocated to unvested restricted shares	(64)	(77)
Less: Distributions on redeemable non-controlling interests in operating partnership, Common units	—	—
Less: Distributions on redeemable non-controlling interests in operating partnership, Series A Preferred units	(3,510)	(3,510)
Less: Dividends on Series B Participating Preferred Stock	(8,824)	(8,975)
Net income (loss) attributable to common stockholders	\$ (5,279)	\$ 1,324
Denominator:		
Weighted-average number of common shares - basic	29,376	30,169
Conversion of Series A preferred units ⁽¹⁾	—	—
Conversion of Series B participating preferred stock	—	—
Unvested restricted shares ⁽¹⁾	—	—
Weighted-average number of common shares - diluted	29,376	30,169
Income (loss) per share attributable to common stockholders - basic	\$ (0.18)	\$ 0.04
Income (loss) per share attributable to common stockholders - diluted	\$ (0.18)	\$ 0.04

(1) Anti-dilutive for the years ended December 31, 2020 and 2019.

The limited partners' outstanding Common units (which may be redeemed for shares of common stock) and Excess Units have been excluded from the diluted earnings per share calculation as there would be no effect on the amounts since the limited partners' share of income would also be added back to net income. Any anti-dilutive shares have been excluded from the diluted earnings per share calculation. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. Accordingly, distributed and undistributed earnings attributable to unvested restricted shares (participating securities) have been excluded, as applicable, from net income or loss attributable to common stockholders utilized in the basic and diluted earnings per share calculations. Net income or loss figures are presented net of non-controlling interests in the earnings per share calculations. The weighted average number of Common units held by the non-controlling interest was 1.8 million and 2.4 million for the years ended December 31, 2020 and 2019, respectively. The weighted average number of Excess Units held by the non-controlling interest was 0.0 million for each of the years ended December 31, 2020 and 2019.

For the years ended December 31, 2020 and 2019, diluted weighted average common shares do not include the impact of 0.3 million of unvested compensation-related shares because the effect of these items on diluted earnings per share would be anti-dilutive.

The following equity awards and units are outstanding as of December 31, 2020 and 2019, respectively.

(in thousands)	December 31, 2020	December 31, 2019
Common Shares	30,255	29,607
OP Units	1,639	1,904
Unvested Restricted Stock Awards	316	345
	32,210	31,856

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Note 10—Quarterly Financial Information (unaudited)

The following table reflects the quarterly results of operations for the years ended December 31, 2020 and 2019.

(\$ in thousands except per share data)	Quarter Ended			
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Operating revenues	\$ 11,650	10,517	10,604	17,917
Operating expenses	6,361	6,828	6,955	8,216
Other expenses	4,870	3,517	3,088	3,324
Net (loss) income before income tax	419	172	561	6,377
Income tax expense	—	—	—	—
Net (loss) income	\$ 419	\$ 172	\$ 561	\$ 6,377
Net (loss) available to common stockholders of Farmland Partners Inc.	\$ (2,737)	\$ (2,942)	\$ (2,553)	\$ 2,955
Basic net (loss) per share available to common stockholders ⁽¹⁾	\$ (0.09)	\$ (0.10)	\$ (0.09)	\$ 0.10
Diluted net (loss) per share available to common stockholders ⁽¹⁾	\$ (0.09)	\$ (0.10)	\$ (0.09)	\$ 0.06
Basic weighted average common shares outstanding	29,545	29,433	29,206	29,331
Diluted weighted average common shares outstanding	29,545	29,433	29,206	46,461

(1) The basic and diluted net (loss) income for the quarters do not equal full year results due to issuance of common stock throughout the year and rounding.

(\$ in thousands)	Quarter Ended			
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Operating revenues	\$ 10,889	10,948	9,848	21,879
Operating expenses	6,366	6,994	6,622	7,245
Other expenses	4,514	(2,571)	4,689	4,855
Net (loss) income before income tax	9	6,525	(1,463)	9,779
State income tax expense	—	—	—	—
Net (loss) income	\$ 9	\$ 6,525	\$ (1,463)	\$ 9,779
Net (loss) income available to common stockholders of Farmland Partners Inc.	\$ (3,140)	\$ 2,906	\$ (4,499)	\$ 6,057

Note 11—Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the day the financial statements were issued.

Dividends

On February 11, 2021 the Company's Board of Directors declared a cash dividend of \$0.05 per share of common stock and Common units payable on April 15, 2021 to stockholders and unitholders of record as of April 1, 2021.

On February 11, 2021 the Company's Board of Directors declared a quarterly cash dividend of \$0.375 per share of 6.00% Series B Participating Preferred Stock payable on March 31, 2021 to stockholders of record as of March 15, 2021.

Opportunity Zone Agreement

On January 20, 2021, the Company entered into an agreement with Promised Land Opportunity Zone Farms I, LLC (the "OZ Fund") to sell, throughout the year as exercised by the buyer by stipulated dates, twelve farms located in opportunity zones as designated by the Tax Cuts and Jobs Act of 2017, and to provide farm management services on the farms for the Promised Land Opportunity Zone Farms in exchange for management fees going forward.

Real Estate Acquisition

On February 8, 2021, the Company completed one farm acquisition in the Corn Belt region, consisting of aggregate consideration of \$1.4 million.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Real Estate Dispositions

On January 29, 2021, the Company completed one partial disposition in the Southeast region, consisting of aggregate consideration of \$0.8 million and a recorded gain on sale of \$0.1 million.

On March 5, 2021, the Company completed the sale of nine farms to the OZ Fund, consisting of aggregate consideration of \$18.3 million and recorded a gain on sale of \$1.8 million. The Company received cash proceeds of \$8.3 million and a convertible note of \$2.0 million.

On March 10, 2021, the Company completed one disposition in the Delta and South region, consisting of aggregate consideration of \$4.8 million and a recorded gain on sale of \$0.5 million.

On March 16, 2021, the Company completed one disposition in the Southeast region, consisting of aggregate consideration of \$3.5 million and a recorded gain on sale of \$0.5 million.

Common Unit Redemption

On January 8, 2021 and January 25, 2021, the Company issued 64,995 and 93,710 shares of common stock in exchange for 64,995 and 93,710 Common units, respectively, that had been tendered for redemption. See “Note 9—Stockholders’ Equity and Non-Controlling Interests—Non-Controlling Interests in Operating Partnership”.

Debt Maturity Extension

On January 29, 2021, the Company entered into an amendment to extend the maturity dates of its five Rutlege Promissory Notes from January 1, 2022 to April 1, 2022.

Note 12—Hedge Accounting

Cash Flow Hedging Strategy

The Company manages economic risks, including interest rate, liquidity, and credit risk, by managing the amount, sources, duration and interest rate exposure of its funding. The Company may also use interest rate derivative financial instruments, namely interest rate swaps. As of December 31, 2020, the Company was a party to one interest rate swap, designated as a hedging instrument, to add stability to interest expense and to manage its exposure to interest rate movements.

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the entire change in the fair value of the Company’s designated cash flow hedges is recorded to accumulated other comprehensive income, a component of shareholders’ equity in the Company’s consolidated balance sheets.

On March 26, 2020, the Company terminated its existing swap agreement and entered into a new interest rate swap agreement to obtain a more favorable interest rate and to manage interest rate risk exposure, which is effective April 1, 2020. An interest rate swap agreement utilized by the Company effectively modifies the Company’s exposure to interest rate risk by converting the Company’s floating-rate debt to a fixed rate basis for the next six years on 50% of the currently outstanding amount to Rabobank, thus reducing the impact of interest rate changes on future interest expense. This agreement involves the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amount. The fair value of the de-designated swap was \$2.6 million on the termination date. The Company is amortizing the de-designated swap over the original term utilizing a

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

forward curve analysis of determining monthly amortization. Amortization for the year ended December 31, 2020, is \$0.8 million. The Company's \$2.6 million termination fee was rolled into the new swap and will be paid over the next six years. The amount of frozen Accumulated Other Comprehensive Income on the de-designated old swap is being amortized out of Other Comprehensive Income through the original termination date (March 1, 2023).

The Company determines the hedge effectiveness of its interest rate swaps at inception by applying a quantitative evaluation of effectiveness using regression analysis. On an ongoing basis the Company applies an initial qualitative assessment of ongoing effectiveness and reviews hedge effectiveness through assessing the hedge relationship by comparing the current terms of the swap and the associated debt to ensure they continue to coincide through the continued ability of the Counterparty to the swap to honor its obligations under the swap contract. If the qualitative assessment indicates that the hedge relationship is not highly effective, the Company performs a quantitative evaluation using regression analysis. The Company concluded the hedge was highly effective at inception and remains highly effective as of December 31, 2020.

As of December 31, 2020, the total notional amount of the Company's receive-variable/pay-fixed interest rate swap was \$33.2 million.

The fair value of the Company's derivative instrument is set out below:

(\$ in thousands)		Balance sheet location	Fair Value
Instrument			
Interest rate swap	Derivative liability		\$ 2,899

The effect of derivative instruments on the consolidated statements of operations for the period ended December 31, 2020 is set out below:

Cash flow hedging relationships	Location of Gain (Loss) reclassified from Accumulated OCI into income	
	Interest rate contracts	Interest expense

The amount of loss recognized in net income for the years ended December 31, 2020 and 2019 was \$0.2 million and \$0.1 million, respectively. The net change recognized in net income associated with current period hedging transactions was \$(0.7) million and \$(0.8) million, for the years ended December 31, 2020 and 2019, respectively. The amortization of frozen Accumulated Other Comprehensive Income was \$0.8 million for the year ended December 31, 2020.

The fair values of the Company's interest rate swap agreements are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts, which is considered a Level 2 measurement under the fair value hierarchy. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves

The following table outlines the movements in the other comprehensive income account as at December 31, 2020 and December 31, 2019:

(\$ in thousands)	December 31, 2020	December 31, 2019
Beginning accumulated derivative instrument gain or loss	\$ (1,644)	\$ (865)
Net change associated with current period hedging transactions	(1,582)	(779)
Amortization of frozen AOCI on de-designated hedge	846	—
Difference between a change in fair value of excluded components	—	—
Closing accumulated derivative instrument gain or loss	<u>\$ (2,380)</u>	<u>\$ (1,644)</u>

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Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
December 31, 2020
(\$ In Thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition			Gross Amount at Which Carried at Close of Period			Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statement is Computed
		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
California	(m)	44,994	-	44,994	-	0	44,994	-	44,994	-	-	2017	-	
North Carolina	(w)	41,906	-	41,906	5	578	42,484	5	42,489	-	2018	2015	40	
California	(m)	33,482	-	33,482	-	0	33,482	-	33,482	-	-	2017	-	
Illinois	(k)	29,627	431	30,058	2,268	50	29,677	2,699	32,376	344	2017, 2018	2017	22	
Louisiana	(g)	30,584	1,180	31,764	181	378	30,962	1,361	32,323	243	2018, 2019	2016	27	
California	(m)	31,567	-	31,567	-	0	31,567	-	31,567	-	-	2017	-	
California	(p), (s)	19,925	11,521	31,445	(561)	0	19,925	10,960	30,884	3,785	2017	2017	13	
Illinois	(k)	22,937	1,484	24,421	1,302	(11)	22,926	2,786	25,711	306	2017, 2018, 2019	2017	26	
California	(r)	7,647	11,518	19,164	263	0	7,647	11,781	19,428	1,893	2017, 2018, 2020	2017	21	
											2014, 2017, 2018,			
South Carolina	(t)	12,057	1,474	13,531	5,840	53	12,110	7,314	19,424	876	2019	2014	25	
California	(s)	9,998	8,116	18,114	(115)	(0)	9,998	8,001	17,999	2,084	2017	2017	14	
California	(s)	10,947	6,878	17,825	64	(0)	10,947	6,942	17,889	1,567	2017	2017	21	
North Carolina	(v)	17,627	-	17,627	-	-	17,627	-	17,627	-	-	2018		
South Carolina	(l)	14,866	906	15,772	239	(0)	14,866	1,145	16,011	150	2017, 2018	2017	26	
											2016, 2017, 2019,			
Florida	(w)	9,295	202	9,497	2,467	3,433	12,728	2,669	15,397	160	2020	2016	39	
California	(s)	11,888	3,398	15,286	(58)	0	11,888	3,340	15,228	960	2017	2017	15	
California	(q)	8,326	6,075	14,401	42	(0)	8,326	6,117	14,443	881	2017, 2018, 2019	2017	25	
California	(p)	9,043	4,546	13,589	172	(0)	9,043	4,718	13,761	1,080	2017, 2018, 2020	2017	18	
California	(q), (s)	10,167	2,902	13,069	197	(0)	10,167	3,099	13,267	930	2017	2017	16	
California	(p)	7,492	2,889	10,380	433	0	7,492	3,322	10,814	862	2017, 2019	2017	15	
Colorado	(t)	10,716	70	10,786	-	-	10,716	70	10,786	7	2014	2014	39	
Illinois	(f)	9,689	420	10,109	(5)	18	9,707	415	10,122	94	2016, 2017, 2018	2016	21	
California	(r)	9,534	263	9,796	2	0	9,534	265	9,799	102	2017	2017	14	
South Carolina	(w)	8,633	133	8,766	199	39	8,672	332	9,004	32	2015, 2017, 2020	2015	26	
California	(s)	6,191	2,772	8,963	0	(0)	6,191	2,772	8,963	656	2017	2017	11	
Florida	(q)	2,674	3,565	6,239	2,625	0	2,674	6,190	8,863	981	2017, 2020	2017	16	
California	(q)	4,710	3,317	8,027	0	(0)	4,710	3,317	8,027	558	2017	2017	15	
Virginia	(w)	7,277	-	7,277	-	-	7,277	-	7,277	-	-	2015	-	
Florida	(o)	6,402	593	6,995	269	0	6,402	862	7,264	222	2017, 2019	2017	17	
Arkansas	(t)	6,914	287	7,201	22	16	6,930	309	7,239	54	2014, 2017, 2018	2014	23	
North Carolina	(w)	7,239	-	7,239	-	(16)	7,223	-	7,223	-	-	2015	-	
											2020, 2017, 2016,			
South Carolina	(t)	4,679	25	4,704	2,369	4	4,683	2,394	7,077	392	2015	2014	31	
Mississippi	(t)	6,654	133	6,787	3	-	6,654	136	6,790	21	2014, 2015	2014	25	
South Dakota	(l)	6,731	-	6,731	-	0	6,731	-	6,731	-	-	2017	-	
Illinois	(f)	6,086	-	6,086	450	11	6,097	450	6,547	33	2018	2016	40	
Georgia	(q)	3,574	2,922	6,496	46	0	3,574	2,968	6,542	1,905	2017, 2019	2017	11	
Arkansas	(i)	5,924	244	6,168	-	-	5,924	244	6,168	49	2015	2015	21	
Illinois	(f)	5,493	-	5,493	338	9	5,502	338	5,841	135	2017	2016	10	
North Carolina	(w)	5,750	-	5,750	-	4	5,754	-	5,754	-	-	2015	-	
Arkansas	(o)	5,532	101	5,633	46	3	5,535	147	5,682	40	2017, 2019, 2020	2017	13	
Colorado	(j)	792	4,731	5,523	84	1	793	4,815	5,608	323	2016, 2017, 2019	2016	16	
Mississippi	(i)	5,338	238	5,576	-	-	5,338	238	5,576	63	2015	2015	15	
Illinois	(f)	5,453	105	5,558	7	10	5,463	112	5,575	17	2016	2016	23	
Colorado	(l)	4,156	1,280	5,436	(3)	0	4,156	1,277	5,433	199	2017	2017	26	
Arkansas	(v)	5,169	185	5,354	(0)	0	5,169	185	5,354	54	2017	2017	15	
Louisiana	(t)	5,100	52	5,152	154	-	5,100	206	5,306	51	2017, 2016, 2015	2014	17	
Illinois	(f)	4,920	4	4,924	148	8	4,928	152	5,080	11	2017	2016	50	
Arkansas	(t)	4,536	50	4,586	81	27	4,563	131	4,693	28	2014, 2017	2014	17	
Illinois	(o)	4,575	-	4,575	-	(0)	4,575	-	4,575	-	-	2017	-	
Illinois	(f)	4,522	4	4,526	-	8	4,530	4	4,534	1	2016	2016	10	
											2020, 2017, 2016,			
South Carolina	(t)	2,235	-	2,235	1,577	633	2,868	1,577	4,445	242	2015	2014	26	
California	(v)	2,461	1,974	4,435	0	0	2,461	1,974	4,435	356	2017	2017	17	
Illinois	(f)	4,350	-	4,350	-	8	4,358	-	4,358	-	-	2016	-	
											2016, 2017, 2018,			
Arkansas	(j)	4,035	38	4,073	188	-	4,035	226	4,260	22	2019	2016	28	
North Carolina	(w)	4,242	-	4,242	-	4	4,246	-	4,246	-	-	2015	-	

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		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
Colorado	(t)	3,566	359	3,925	67	-	3,566	426	3,992	62	2014, 2017, 2018	2014	20	
North Carolina	(w)	3,864	-	3,864	-	8	3,872	-	3,872	-		2015	-	
Illinois	(f)	3,821	-	3,821	-	8	3,829	-	3,829	-		2016	-	
												2015, 2016, 2017,		
Georgia	(i)	3,306	368	3,674	18	-	3,306	386	3,692	67	2018	2015	24	
Illinois	(h)	2,981	-	2,981	634	-	2,981	634	3,615	87	2017, 2009	2007 & 2010	38	
Alabama	(q)	1,719	1,883	3,602	(8)	(0)	1,719	1,875	3,595	328	2017	2017	16	
Mississippi	(b)	3,471	41	3,512	63	-	3,471	104	3,575	12	2015, 2017	2015	35	
Illinois	(f)	3,541	-	3,541	-	6	3,547	-	3,547	-		2016	-	
Illinois		3,500	28	3,528	324	(351)	3,149	352	3,501	32	2016, 2018	2016	28	
Illinois	(h)	1,290	-	1,290	2,199	-	1,290	2,199	3,488	280	2017, 2015, 2011	2007	38	
Illinois	(f)	3,470	-	3,470	4	6	3,476	4	3,480	1	2016	2016	12	
Nebraska	(t)	1,881	55	1,936	1,476	1	1,882	1,531	3,413	230	2017, 2015, 2012	2012	31	
Illinois	(f)	2,997	68	3,065	253	5	3,002	321	3,323	123	2018, 2016	2016	16	
Illinois	(f)	3,212	-	3,212	95	6	3,218	95	3,313	7	2018	2016	40	
Illinois	(f)	3,277	-	3,277	-	5	3,282	-	3,282	-		2016	-	
South Carolina	(b)	1,959	344	2,303	970	-	1,959	1,314	3,273	128	2017, 2015	2015	35	
Illinois	(f)	3,186	-	3,186	-	74	3,260	-	3,260	-		2016	-	
Illinois	(f)	3,232	-	3,232	-	(63)	3,169	-	3,169	-		2016	-	
Illinois	(o)	3,163	-	3,163	-	(0)	3,163	-	3,163	-		2017	-	
												2015, 2017, 2018,		
Arkansas	(w)	2,808	184	2,992	70	51	2,859	254	3,113	58	2020	2015	20	
Georgia	(l)	1,905	-	1,905	982	202	2,107	982	3,089	89	2017, 2018	2017	32	
Illinois	(f)	3,058	-	3,058	-	5	3,063	-	3,063	-		2016	-	
Arkansas	(t)	2,985	156	3,141	8	(96)	2,889	164	3,053	46	2014, 2016	2014	16	
Illinois	(f)	3,030	-	3,030	-	6	3,036	-	3,036	-		2016	-	
Arkansas	(b)	3,264	165	3,429	191	(590)	2,674	356	3,030	77	2017	2014	27	
South Carolina	(t)	2,199	138	2,337	670	22	2,221	808	3,028	86	2019, 2020	2014	30	
Colorado	(t)	3,099	-	3,099	-	(133)	2,966	-	2,966	-		2014	-	
Illinois	(f)	2,882	42	2,924	-	5	2,887	42	2,929	13	2016	2016	12	
Illinois	(f)	2,682	-	2,682	204	8	2,690	204	2,894	15	2017	2016	50	
												2015, 2016, 2018,		
Nebraska	(c)	2,601	114	2,715	131	-	2,601	245	2,845	20	2019	2015	27	
Illinois	(h)	2,573	-	2,573	236	(1)	2,572	236	2,809	19	2017	2010	50	
North Carolina	(v)	2,768	-	2,768	-	-	2,768	-	2,768	-		2018	-	
Arkansas	(t)	2,645	40	2,685	42	21	2,666	82	2,748	12	2014, 2018, 2019	2014	18	
Illinois	(f)	2,718	-	2,718	-	5	2,723	-	2,723	-		2016	-	
California	(s)	967	1,357	2,324	375	(0)	967	1,732	2,699	327	2017, 2018	2017	21	
Nebraska	(c)	2,539	78	2,617	(23)	-	2,539	55	2,594	11	2016	2015	20	
												2014, 2016, 2018,		
Nebraska	(w)	693	1,785	2,478	90	-	693	1,875	2,567	227	2019	2014	17	
Michigan	(i)	904	1,654	2,558	-	-	904	1,654	2,558	291	2015	2015	23	
Illinois	(f)	2,542	-	2,542	-	5	2,547	-	2,547	-		2016	-	
Colorado	(b)	1,995	84	2,079	466	-	1,995	550	2,545	111	2018, 2017, 2016	2015	17	
Illinois	(l)	2,525	-	2,525	-	(0)	2,525	-	2,525	-		2017	-	
Arkansas	(t)	2,262	82	2,344	4	96	2,358	86	2,444	12	2014, 2015	2014	27	
Illinois	(f)	2,423	-	2,423	-	5	2,428	-	2,428	-		2016	-	
Nebraska	(c)	2,280	44	2,324	95	-	2,280	139	2,419	25	2017, 2016, 2015	2015	22	
Illinois	(f)	2,402	-	2,402	-	4	2,406	-	2,406	-		2016	-	
South Carolina	(t)	1,803	158	1,961	422	-	1,803	580	2,383	53	2014, 2015, 2020	2014	26	
South Carolina	(l)	1,321	91	1,412	721	246	1,567	812	2,379	73	2017, 2018, 2020	2017	34	
South Carolina	(v)	1,406	806	2,212	128	(0)	1,406	934	2,341	150	2017, 2018, 2019	2017	31	
Colorado	(t)	2,328	-	2,328	-	-	2,328	-	2,328	-		2014	-	
Arkansas	(t)	2,316	-	2,316	3	-	2,316	3	2,319	-		2014	-	
Nebraska	(c)	2,316	126	2,442	(126)	-	2,316	-	2,316	-		2015	-	
Colorado		637	1,604	2,241	-	0	637	1,604	2,241	328	2017	2017	27	
Illinois	(f)	2,015	-	2,015	216	4	2,019	216	2,235	12	2016, 2019	2016	34	
Illinois	(f)	2,100	-	2,100	98	4	2,104	98	2,202	7	2018	2016	40	

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		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
North Carolina	(v)	2,177	-	2,177	-	-	-	2,177	-	2,177	-	-	2018	-
Colorado	(b)	1,365	663	2,028	101	-	-	1,365	764	2,129	81	2015	2015	21
Arkansas	(t)	2,014	96	2,110	-	(8)	2,006	96	2,102	22	2014	2014	22	
South Carolina	(v)	1,090	-	1,090	776	230	1,320	776	2,097	52	2018, 2019	2018	39	
Illinois	(f)	2,075	-	2,075	-	4	2,079	-	2,079	-	-	2016	-	
Colorado	(w)	1,301	699	2,000	70	-	1,301	769	2,070	71	2015, 2016, 2017,	2019	2015	26
South Carolina	(t)	1,568	-	1,568	433	64	1,632	433	2,065	52	2015, 2017, 2019	2014	27	
Illinois	(h)	1,700	-	1,700	346	-	1,700	346	2,046	38	2017	2012	35	
Colorado	(t)	1,817	210	2,027	1	(7)	1,810	211	2,021	69	2014, 2016	2014	14	
Illinois	(f)	1,996	-	1,996	-	3	1,999	-	1,999	-	-	2016	-	
Colorado	(j)	1,760	-	1,760	239	-	1,760	239	1,999	31	2017	2016	24	
Illinois	(f)	2,103	105	2,208	-	(226)	1,877	105	1,982	17	2016	2016	25	
Illinois	(f)	1,972	-	1,972	-	3	1,975	-	1,975	-	-	2016	-	
Illinois	(f)	1,956	-	1,956	-	4	1,960	-	1,960	-	-	2016	-	
Illinois	(f)	1,945	-	1,945	-	4	1,949	-	1,949	-	-	2016	-	
Illinois	(j)	1,905	-	1,905	-	-	1,905	-	1,905	-	-	2016	-	
Colorado	(w)	1,622	-	1,622	271	-	1,622	271	1,894	6	2020	2019	28	
Illinois	(f)	1,891	-	1,891	-	3	1,894	-	1,894	-	-	2016	-	
Colorado	(t)	1,079	812	1,891	-	-	1,079	812	1,891	72	2014	2014	31	
Illinois	(f)	1,859	-	1,859	-	4	1,863	-	1,863	-	-	2016	-	
Illinois	(f)	1,853	-	1,853	-	3	1,856	-	1,856	-	-	2016	-	
Illinois	(o)	1,825	-	1,825	-	-	1,825	-	1,825	-	-	2018	-	
Illinois	(f)	1,693	-	1,693	109	3	1,696	109	1,805	8	2017	2016	50	
Illinois	(f)	1,769	-	1,769	-	3	1,772	-	1,772	-	-	2016	-	
North Carolina	(w)	1,770	-	1,770	-	-	1,770	-	1,770	-	-	2015	-	
Illinois	(h)	1,750	-	1,750	-	-	1,750	-	1,750	-	-	2009	-	
Illinois	(o)	1,735	-	1,735	-	0	1,735	-	1,735	-	-	2017	-	
Illinois	(f)	1,731	-	1,731	-	3	1,734	-	1,734	-	-	2016	-	
Illinois	(f)	1,643	88	1,731	-	3	1,646	88	1,734	15	2016	2016	23	
Illinois	(f)	1,718	-	1,718	-	3	1,721	-	1,721	-	-	2016	-	
Nebraska	(t)	1,610	32	1,642	81	(2)	1,608	113	1,720	16	2014, 2015	2014	28	
Illinois	(f)	1,614	94	1,708	-	3	1,617	94	1,711	16	2016	2016	23	
Nebraska	(t)	1,639	46	1,685	10	(2)	1,637	56	1,694	8	2014, 2015	2014	31	
Colorado	(t)	1,305	376	1,681	10	-	1,305	386	1,691	143	2014, 2016	2014	16	
Illinois	(f)	1,675	4	1,679	(4)	3	1,678	-	1,678	-	-	2016	-	
Michigan	(i)	779	851	1,630	39	-	779	890	1,669	251	2016, 2019	2016	19	
South Carolina	(w)	1,303	225	1,528	134	-	1,303	359	1,663	47	2016, 2017, 2020	2016	35	
South Carolina	(t)	1,078	-	1,078	548	29	1,107	548	1,655	66	2015, 2017	2014	30	
Illinois	(f)	1,523	-	1,523	126	3	1,526	126	1,651	9	2017	2016	50	
Illinois	(f)	1,620	-	1,620	-	3	1,623	-	1,623	-	-	2016	-	
Nebraska	(c)	1,314	65	1,379	242	-	1,314	307	1,621	56	2015	2015	20	
Nebraska	(t)	1,539	-	1,539	70	-	1,539	70	1,608	6	2015	2012	45	
Illinois	(f)	1,603	-	1,603	-	3	1,606	-	1,606	-	-	2016	-	
Nebraska	(b)	1,244	69	1,313	269	-	1,244	338	1,582	38	2014, 2015	2014	22	
Georgia	(j)	1,330	72	1,402	180	-	1,330	252	1,581	30	2016, 2019	2016	19	
Illinois	(h)	1,423	60	1,483	68	-	1,423	128	1,551	27	2013	2007	27	
Colorado	(t)	1,353	184	1,537	-	-	1,353	184	1,537	89	2014	2014	9	
Illinois	(t)	1,500	-	1,500	26	-	1,500	26	1,526	2	2015	2008	50	
Kansas	(i)	1,915	-	1,915	-	(395)	1,520	-	1,520	-	-	2015	-	
Illinois	(f)	1,481	-	1,481	-	3	1,484	-	1,484	-	-	2016	-	
Illinois	(o)	1,471	-	1,471	-	-	1,471	-	1,471	-	-	2018	-	
Mississippi	(w)	1,437	33	1,470	-	-	1,437	33	1,470	4	2015, 2017	2015	29	
Illinois	(f)	1,435	-	1,435	-	3	1,438	-	1,438	-	-	2016	-	
South Carolina	(l)	1,032	170	1,203	218	13	1,045	388	1,433	48	2017, 2018	2017	24	
Illinois	(w)	1,403	-	1,403	-	-	1,403	-	1,403	-	-	2019	-	

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		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
Nebraska	(b)	1,100	28	1,128	248	-	1,100	276	1,376	23	2014, 2015, 2018	2014	22	
Nebraska	(v)	1,149	-	1,149	202	-	1,149	202	1,350	17	2018	2018	33	
Illinois	(f)	1,229	-	1,229	116	2	1,231	116	1,347	9	2018	2016	40	
Nebraska	(c)	1,346	34	1,380	(34)	-	1,346	-	1,346	-	-	2015	-	
Illinois	(f)	1,320	-	1,320	-	2	1,322	-	1,322	-	-	2016	-	
Nebraska	(i)	1,232	56	1,288	-	31	1,263	56	1,319	7	2015	2015	24	
Nebraska	(c)	1,279	23	1,302	6	-	1,279	29	1,308	10	2015, 2017	2015	12	
Colorado	(t)	1,238	-	1,238	-	45	1,283	-	1,283	-	-	2014	-	
Nebraska	(c)	1,242	37	1,279	(5)	-	1,242	32	1,273	5	2015	2015	23	
Illinois	(f)	1,259	-	1,259	-	2	1,261	-	1,261	-	-	2016	-	
Illinois	(b)	1,120	-	1,120	138	-	1,120	138	1,258	11	2016	2008	50	
Illinois	(f)	1,254	-	1,254	-	2	1,256	-	1,256	-	-	2016	-	
Colorado	(t)	1,030	170	1,200	31	-	1,030	201	1,231	102	2014, 2016, 2017	2014	14	
Illinois	(f)	1,219	-	1,219	-	2	1,221	-	1,221	-	-	2016	-	
Illinois	(t)	1,147	-	1,147	60	-	1,147	60	1,207	5	2016	2013	50	
Illinois	(h)	1,003	-	1,003	198	-	1,003	198	1,201	12	2015, 2017	2008	40	
Nebraska	(c)	1,077	33	1,110	80	-	1,077	113	1,189	7	2015	2015	23	
Colorado	(t)	579	513	1,092	18	65	644	531	1,175	185	2014, 2015, 2016	2014	19	
Illinois	(f)	1,171	-	1,171	-	2	1,173	-	1,173	-	-	2016	-	
Illinois	(f)	1,126	44	1,170	-	2	1,128	44	1,172	6	2016	2016	31	
Illinois	(f)	1,130	35	1,165	-	2	1,132	35	1,167	8	2016	2016	23	
North Carolina	(v)	1,161	-	1,161	-	-	1,161	-	1,161	-	-	2018	-	
Illinois	(f)	1,439	-	1,439	-	(279)	1,160	-	1,160	-	-	2016	-	
Illinois	(f)	1,115	28	1,143	9	2	1,117	37	1,155	9	2016, 2018	2016	20	
Nebraska	(h)	1,109	40	1,149	-	-	1,109	40	1,149	8	2012	2012	20	
Nebraska	(c)	1,136	11	1,147	-	-	1,136	11	1,147	7	2015	2015	6	
Illinois	(f)	1,075	-	1,075	70	2	1,077	70	1,147	5	2018	2016	40	
Colorado	(t)	747	393	1,140	-	-	747	393	1,140	47	2014	2014	26	
Illinois	(f)	1,119	-	1,119	-	2	1,121	-	1,121	-	-	2016	-	
Colorado	(t)	1,128	68	1,196	(32)	(45)	1,083	36	1,119	3	-	2014	-	
Colorado	(t)	1,105	-	1,105	-	-	1,105	-	1,105	-	-	2014	-	
Colorado	(t)	773	323	1,096	-	-	773	323	1,096	46	2014	2014	21	
Illinois	(f)	1,063	27	1,090	-	-	2	1,065	27	1,092	9	2016	2016	23
Illinois	(f)	1,080	-	1,080	-	2	1,082	-	1,082	-	-	2016	-	
Illinois	(f)	1,083	-	1,083	-	(6)	1,077	-	1,077	-	-	2016	-	
Illinois	(f)	\$ 989	\$ -	\$ 989	\$ 77	\$ 2	\$ 991	\$ 77	\$ 1,068	\$ 6	2018	2016	40	
Nebraska	(i)	848	197	1,045	22	-	848	219	1,067	34	2014, 2015, 2017	2014	25	
Colorado	(t)	554	443	997	70	(3)	551	513	1,064	51	2014, 2015, 2017	2014	28	
Illinois	(f)	1,058	-	1,058	-	2	1,060	-	1,060	-	-	2016	-	
Illinois	(f)	995	-	995	58	2	997	58	1,054	4	2017	2016	50	
Nebraska	(t)	994	20	1,014	41	(2)	992	61	1,052	11	2014, 2015	2014	27	
Illinois	(t)	801	97	898	152	-	801	249	1,050	20	2016	2004, 2006, 2016	50	
Colorado	(h)	819	94	913	113	-	819	207	1,026	36	2014, 2017, 2018	2010	20	
Colorado	(w)	809	141	950	64	-	809	205	1,014	28	2015	2015	31	
Illinois	(f)	1,005	-	1,005	-	2	1,007	-	1,007	-	-	2016	-	
Georgia	(i)	795	65	860	105	31	826	170	997	21	2016, 2017	2016	31	
Illinois	(f)	950	40	990	-	2	952	40	992	5	2016	2016	32	
Illinois	(h)	991	-	991	-	-	991	-	991	-	-	2012	-	
Illinois	(f)	980	-	980	-	2	982	-	982	-	-	2016	-	
Illinois	(f)	975	-	975	-	2	977	-	977	-	-	2016	-	
Illinois	(f)	972	-	972	-	2	974	-	974	-	-	2016	-	
Illinois	(f)	968	-	968	-	2	970	-	970	-	-	2016	-	
Georgia	(w)	756	202	958	-	(1)	755	202	958	22	2016	2016	36	
Illinois	(f)	844	-	844	112	2	846	112	958	3	2019	2016	40	
Illinois	(h)	923	53	976	(29)	-	923	24	947	2	2011	2011	50	

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Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
December 31, 2020
(\$ In Thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition			Gross Amount at Which Carried at Close of Period			Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statement is Computed
		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
Kansas	(t)	805	178	983	-	(38)	767	178	945	70	2014	2014	14	
Illinois	(f)	939	-	939	-	1	940	-	940	-	2016	-	-	
Illinois	(t)	902	34	936	-	-	902	34	936	6	2008	2008	21	
Illinois	(f)	800	130	930	-	2	802	130	932	20	2016	2016	27	
Illinois	(f)	845	63	908	-	2	847	63	910	13	2016	2016	22	
Colorado	(t)	481	373	854	2	46	527	375	902	136	2014, 2016	2014	17	
Illinois	(f)	855	55	910	(12)	1	856	43	899	6	2016	2016	28	
Illinois	(f)	879	-	879	4	2	881	4	884	1	2016	2016	20	
Illinois	(w)	866	18	884	-	-	866	18	884	-	2020	2020	48	
Illinois	(i)	815	-	815	60	-	815	60	875	5	2017	2015	50	
Georgia	(j)	718	144	862	10	-	718	154	872	25	2016	2016	25	
Illinois	(f)	864	-	864	-	1	865	-	865	-	2016	-	-	
Nebraska	(b)	862	-	862	-	-	862	-	862	-	2015	-	-	
Illinois	(f)	857	-	857	-	1	858	-	858	-	2016	-	-	
Illinois	(f)	854	-	854	-	1	855	-	855	-	2016	-	-	
Illinois	(h)	644	93	737	107	-	644	200	844	16	2015	2000	50	
Illinois	(i)	762	-	762	75	-	762	75	837	15	2016	2015	20	
Nebraska	(t)	742	-	742	94	-	742	94	836	15	2013	2012	25	
Illinois	(b)	700	110	810	20	-	700	130	830	10	2006, 2015	2004	50	
Illinois	(l)	825	-	825	-	0	825	-	825	-	2017	-	-	
Illinois	(f)	774	47	821	-	2	776	47	823	8	2016	2016	25	
Illinois	(o)	805	-	805	-	(0)	805	-	805	-	2017	-	-	
Colorado	(t)	803	-	803	-	-	803	-	803	-	2014	-	-	
Illinois	(f)	775	-	775	3	2	777	3	780	-	2018	2016	50	
Nebraska	(t)	702	72	774	-	(2)	700	72	772	8	2014	2014	35	
Illinois	(f)	762	-	762	-	1	763	-	763	-	2016	-	-	
Illinois	(o)	748	-	748	-	(0)	748	-	748	-	2017	-	-	
Illinois	(f)	746	-	746	-	2	748	-	748	-	2016	-	-	
Illinois	(f)	744	-	744	-	2	746	-	746	-	2016	-	-	
Kansas	(t)	737	-	737	-	-	737	-	737	-	2014	-	-	
Nebraska	(i)	711	22	733	-	-	711	22	733	4	2015	2015	20	
Illinois	(f)	732	-	732	-	1	733	-	733	-	2016	-	-	
Illinois	(f)	729	-	729	-	1	730	-	730	-	2016	-	-	
Illinois	(f)	727	-	727	-	2	729	-	729	-	2016	-	-	
Illinois	(h)	725	-	725	-	-	725	-	725	-	2010	-	-	
Illinois	(h)	668	-	668	51	1	669	51	720	4	2015	2007	50	
Illinois	(o)	717	-	717	-	-	717	-	717	-	2018	-	-	
Illinois	(f)	671	96	767	(54)	1	672	42	714	6	2016	2016	28	
Illinois	(v)	701	-	701	-	(0)	701	-	701	-	2017	-	-	
Illinois	(j)	667	30	697	-	-	667	30	697	5	2016	2016	24	
Illinois	(h)	693	-	693	-	-	693	-	693	-	2008	-	-	
Georgia	(i)	555	106	661	9	18	573	115	687	15	2015, 2018, 2019	2015	32	
Illinois	(h)	684	-	684	-	-	684	-	684	-	2007	-	-	
South Carolina	(l)	477	57	534	148	(0)	477	205	682	22	2017	2017	32	
Illinois	(i)	681	-	681	-	-	681	-	681	-	2015	-	-	
Illinois	(i)	667	-	667	-	1	668	-	668	-	2016	-	-	
Illinois	(h)	448	100	548	110	-	448	210	658	17	2006, 2015	2003	50	
Illinois	(o)	652	-	652	-	-	652	-	652	-	2018	-	-	
Illinois	(f)	612	38	650	-	1	613	38	651	5	2016	2016	29	
Georgia	(i)	482	142	624	-	10	492	142	634	19	2016, 2017	2016	27	
Illinois	(f)	630	-	630	-	1	631	-	631	-	2016	-	-	
Illinois	(f)	617	-	617	-	1	618	-	618	-	2016	-	-	
Illinois	(h)	610	-	610	-	-	610	-	610	-	2012	-	-	
Colorado	(t)	374	201	575	2	30	404	203	608	73	2014, 2016, 2017	2014	11	
Nebraska	(b)	607	-	607	-	-	607	-	607	-	2015	-	-	

Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
December 31, 2020
(\$ In Thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition			Gross Amount at Which Carried at Close of Period			Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statement is Computed
		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
Georgia	(w)	469	108	577	25	-	469	133	603	12	2016	2016	36	
Illinois	(f)	601	-	601	-	1	602	-	602	-	2016	-	-	
Nebraska	(b)	561	-	561	-	41	602	-	602	-	2014	-	-	
Illinois	(f)	552	-	552	31	1	553	31	583	1	2019	2016	40	
Illinois	(t)	527	37	564	16	-	527	53	580	4	2011	2011	50	
Illinois	(f)	576	-	576	-	1	577	-	577	-	2016	-	-	
Illinois	(j)	563	-	563	-	-	563	-	563	-	2016	-	-	
South Carolina		460	-	460	98	-	460	98	558	5	2019, 2020	2018	24	
North Carolina	(v)	554	-	554	-	-	554	-	554	-	2018	-	-	
Georgia	(i)	475	53	528	16	-	475	69	545	14	2015, 2018	2015	17	
Illinois	(f)	536	-	536	-	1	537	-	537	-	2016	-	-	
Illinois	(f)	534	-	534	-	1	535	-	535	-	2016	-	-	
Illinois	(f)	487	-	487	41	1	488	41	529	3	2017	2016	50	
Illinois	(f)	505	-	505	-	9	514	-	514	-	2016	-	-	
Nebraska	(c)	500	10	510	-	-	500	10	510	7	2015	2015	6	
Illinois	(f)	507	-	507	-	1	508	-	508	-	2016	-	-	
Kansas	(l)	319	181	500	(0)	0	319	181	500	35	2017, 2019	2017	25	
Illinois	(h)	442	38	480	-	-	442	38	480	6	2009	2009	24	
Illinois	(f)	466	-	466	-	1	467	-	467	-	2016	-	-	
Illinois	(f)	421	-	421	43	1	422	43	465	3	2016	2016	50	
South Carolina	(v)	354	-	354	109	-	354	109	463	8	2018, 2019, 2020	2018	23	
Illinois	(f)	447	-	447	-	-	447	-	447	-	2016	-	-	
Illinois	(o)	428	-	428	-	-	428	-	428	-	2018	-	-	
Colorado	(t)	419	-	419	-	-	419	-	419	-	2014	-	-	
Illinois	(h)	290	38	328	87	-	290	125	415	10	2006, 2015	2006	50	
Illinois	(i)	371	-	371	38	-	371	38	409	3	2017	2016	50	
Illinois	(b)	398	-	398	-	-	398	-	398	-	2008	-	-	
Colorado	(i)	-	-	-	-	-	395	-	395	-	2015	-	-	
Illinois	(h)	322	36	358	22	-	322	58	380	5	2006, 2017, 2018	2006	44	
Illinois	(f)	370	-	370	-	1	371	-	371	-	2016	-	-	
Illinois	(f)	362	-	362	-	1	363	-	363	-	2016	-	-	
Illinois	(o)	363	-	363	-	-	363	-	363	-	2018	-	-	
Illinois	(t)	102	59	161	201	-	102	260	362	21	2006, 2017	2003	50	
Illinois	(f)	360	-	360	-	1	361	-	361	-	2016	-	-	
Illinois	(f)	359	-	359	-	1	360	-	360	-	2016	-	-	
Illinois	(h)	271	73	344	16	-	271	89	360	7	2006, 2015	2001	50	
Illinois	(f)	353	-	353	-	1	354	-	354	-	2016	-	-	
Illinois	(t)	321	24	345	(8)	-	321	16	337	1	2011	2011	50	
Illinois	(f)	296	-	296	39	-	296	39	335	1	2019	2016	40	
Kansas	(j)	235	90	325	3	-	235	93	328	17	2016, 2017	2016	21	
Illinois	(f)	320	-	320	-	1	321	-	321	-	2016	-	-	
North Carolina	(v)	310	-	310	-	-	310	-	310	-	2018	-	-	
Colorado	(t)	224	-	224	46	39	263	46	309	-	2014	-	-	
Michigan		298	-	298	-	-	298	-	298	-	2020	-	-	
Illinois	(f)	286	-	286	-	1	287	-	287	-	2016	-	-	
Illinois	(f)	282	-	282	-	1	283	-	283	-	2016	-	-	
Colorado	(i)	276	-	276	-	-	276	-	276	-	2014	-	-	
Illinois	(f)	254	-	254	-	1	255	-	255	-	2016	-	-	
Illinois	(h)	252	-	252	-	-	252	-	252	-	2012	-	-	
Illinois	(f)	240	-	240	-	-	240	-	240	-	2016	-	-	
Colorado	(i)	236	-	236	-	-	236	-	236	-	2015	-	-	
Illinois	(f)	233	-	233	-	-	233	-	233	-	2016	-	-	
Illinois	(o)	233	-	233	-	-	233	-	233	-	2018	-	-	
Illinois	(h)	203	44	247	(24)	-	203	20	223	2	2006	2006	50	
Illinois	(f)	216	-	216	-	1	217	-	217	-	2016	-	-	

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Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
December 31, 2020
(\$ In Thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition			Gross Amount at Which Carried at Close of Period			Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statements is Computed
		Land	Improvements	Total	Land	Improvements	Total	Land	Improvements	Total				
Illinois	(b)	200	16	216	(16)	-	200	-	-	200	-	2011	-	
Illinois	(c)	196	-	196	-	-	196	-	-	196	-	2018	-	
Georgia		142	39	180	2	0	142	41	183	5	2017	2017	30	
Illinois	(f)	179	-	179	-	1	180	-	-	180	-	2016	-	
Illinois	(f)	153	-	153	20	-	153	20	173	1	2019	2016	40	
Illinois	(f)	170	-	170	-	-	170	-	-	170	-	2016	-	
Illinois	(f)	157	-	157	-	1	158	-	-	158	-	2016	-	
Michigan		13	93	106	-	-	13	93	106	3	2020	2020	20	
Michigan		3	80	83	-	-	3	80	83	2	2020	2020	20	
Colorado		-	-	-	69	-	-	69	69	6	2017	2017	40	
Illinois		35	-	35	-	-	-	-	-	-	-	2020	-	
Illinois		34	86	120	(86)	-	34	-	34	(3)	-	2016	-	
Colorado		-	-	-	-	-	-	-	-	-	-	2017	-	
Adjustments														
Other	(u)	44,280	1,969	46,249	1,057	578	44,858	3,026	47,885	357	3,583			
Farmer Mac Bond #6		\$ 13,827												
Farmer Mac Bond #7		\$ 11,160												
Met Life Bond #1		\$ 85,188												
Met Life Bond #2		\$ 16,000												
Met Life Bond #3		\$ 21,000												
Met Life Bond #4		\$ 15,685												
Met Life Bond #5		\$ 8,379												
Met Life Bond #6		\$ 27,158												
Met Life Bond #7		\$ 17,153												
Met Life Bond #8		\$ 44,000												
Met Life Bond #9		\$ 21,000												
MetLife Bond #10		\$ 53,277												
Rutledge Credit Facility #1		\$ 17,000												
Rutledge Credit Facility #2		\$ 25,000												
Rutledge Credit Facility #3		\$ 25,000												
Rutledge Credit Facility #4		\$ 15,000												
Rutledge Credit Facility #5		\$ 30,000												
Rabo Agrifinance Note		\$ 62,359												
Totals		\$ 508,186	\$ 919,874	\$ 110,260	\$ 1,030,134	\$ 40,110	\$ 5,083	\$ 924,957	\$ 151,537	\$ 1,076,488	\$ 32,648			

- (b) is part of a collateral pool for the \$13.8 million Farmer Mac Bond #6
- (c) is part of a collateral pool for the \$11.2 million Farmer Mac Bond #7
- (f) is part of a collateral pool for the \$85.2 million Met Life Bond #1
- (g) is part of a collateral pool for the \$16.0 million Met Life Bond #2
- (h) is part of a collateral pool for the \$21.0 million Met Life Bond #3
- (i) is part of a collateral pool for the \$15.7 million Met Life Bond #4
- (j) is part of a collateral pool for the \$8.4 million Met Life Bond #5
- (k) is part of a collateral pool for the \$27.2 million Met Life Bond #6
- (l) is part of a collateral pool for the \$17.2 million Met Life Bond #7
- (m) is part of a collateral pool for the \$44.0 million Met Life Bond #8
- (o) is part of a collateral pool for the \$17.0 million Rutledge Credit Facility 1
- (p) is part of a collateral pool for the \$25.0 million Rutledge Credit Facility 2
- (q) is part of a collateral pool for the \$25.0 million Rutledge Credit Facility 3
- (r) is part of a collateral pool for the \$15.0 million Rutledge Credit Facility 4
- (s) is part of a collateral pool for the \$30.0 million Rutledge Credit Facility 5
- (t) is part of a collateral pool for the \$62.4 million Agrifinance Note
- (u) Other category is comprised of 102 farms in 8 states that on an individual basis make up less than 5% of gross total land plus improvements as of December 31, 2020. Approximately \$1,607 is part of a collateral pool for the \$13,827 Farmer Mac Bond #6, \$510 is part of a collateral pool for the \$11,160 Farmer Mac Bond #7, \$18,268 is part of a collateral pool for the \$85,188 Met Life Bond #1, \$6,400 is part of a collateral pool for the \$21,000 Met Life Bond #3, \$4,988 is part of a collateral pool for the \$15,685 Met Life Bond #4, \$1,588

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Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
December 31, 2020
(\$ In Thousands)

is part of a collateral pool for the \$8,379 Met Life Bond #5, \$1,182 is part of a collateral pool for the \$17,153 Met Life Bond #7, \$4,142 is part of a collateral pool for the \$25,000 Rutledge Credit Facility 1, \$5,203 is part of a collateral pool for the \$62,359 Rabo Agrifinance Note, \$2,028 is part of a collateral pool for the \$21,000 Met Life Bond #9, and \$603 is part of a collateral pool for the \$53,277 Met Life Bond #10.

- (v) is part of a collateral pool for the \$21.0 million Met Life Bond #9
- (w) is part of a collateral pool for the \$53.3 million Met Life Bond #10
- (x) all of the above properties listed in Schedule III are farms.
- (y) The aggregate cost of land and depreciable property for federal income tax purposes was approximately \$1.02 billion as of December 31, 2020.

Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
Reconciliation of “Real Estate and Accumulated Depreciation”
(In Thousands)

	Years ended December 31,	
	2020	2019
Real Estate:		
Balance at beginning of year	\$ 1,087,767	\$ 1,108,016
Additions during period		
Additions through construction of improvements	5,316	5,326
Disposition of property and improvements	(18,069)	(62,468)
Acquisitions through business combinations and/or asset acquisitions	1,406	36,893
Balance at end of year	<u><u>\$ 1,076,420</u></u>	<u><u>\$ 1,087,767</u></u>
Accumulated Depreciation:		
Balance at beginning of year	\$ 25,223	\$ 18,148
Disposition of improvements	(521)	(947)
Additions charged to costs and expenses	7,900	8,022
Balance at end of year	<u><u>\$ 32,602</u></u>	<u><u>\$ 25,223</u></u>
Real Estate balance per schedule	\$ 1,076,420	\$ 1,087,767
Construction in progress	9,283	11,911
Other non-real estate	71	71
Balance per consolidated balance sheet	<u><u>\$ 1,085,774</u></u>	<u><u>\$ 1,099,749</u></u>
Accumulated depreciation per schedule	\$ 32,602	\$ 25,223
Other non-real estate	52	54
Balance per consolidated balance sheet	<u><u>\$ 32,654</u></u>	<u><u>\$ 25,277</u></u>

INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (this “**Agreement**”) is entered into as of , 20 , by and among FARMLAND PARTNERS INC., a Maryland corporation (the “**Company**” or the “**Indemnitor**”) and [] (the “**Indemnitee**”). See Schedule A for a list of officers and directors who have entered into this Indemnification Agreement with the Company.

WHEREAS, the Indemnitee is an officer [or][and] a member of the Board of Directors of the Company and in such [capacity] [capacities] is performing a valuable service for the Company;

WHEREAS, Maryland law permits the Company to enter into contracts with its officers or members of its Board of Directors with respect to indemnification of, and advancement of expenses to, such persons;

WHEREAS, the Articles of Amendment and Restatement of the Company (the “**Charter**”) provide that the Company shall indemnify and advance expenses to its directors and officers to the maximum extent permitted by Maryland law in effect from time to time;

WHEREAS, the Bylaws of the Company (the “**Bylaws**”) provide that each director and officer of the Company shall be indemnified by the Company to the maximum extent permitted by Maryland law in effect from time to time and shall be entitled to advancement of expenses consistent with Maryland law; and

WHEREAS, to induce the Indemnitee to provide services to the Company as an officer [or][and] a member of the Board of Directors, and to provide the Indemnitee with specific contractual assurance that indemnification will be available to the Indemnitee regardless of, among other things, any amendment to or revocation of the Charter or the Bylaws, or any acquisition transaction relating to the Company, the Indemnitor desires to provide the Indemnitee with protection against personal liability as set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Indemnitor and the Indemnitee hereby agree as follows:

1. DEFINITIONS.

For purposes of this Agreement:

- (a) “**Change in Control**” shall have the meaning ascribed to it by the Company’s 2014 Equity Incentive Plan or any equity incentive or stock compensation plan adopted by the Board of Directors and approved by the stockholders of the Company that may later replace the Company’s 2014 Equity Incentive Plan.
- (b) “**Corporate Status**” describes the status of a person who is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, partner (limited or general), member, director, employee or agent of any other foreign or domestic corporation, partnership, joint venture, limited liability company, trust, other enterprise (whether conducted for profit or not for profit) or employee benefit plan. The Company shall be deemed to have requested the Indemnitee to serve an employee benefit plan where the performance of the Indemnitee’s duties to the Company also imposes or imposed duties on, or otherwise involves or involved services by, the Indemnitee to the plan or participants or beneficiaries of the plan.
- (c) “**Expenses**” shall include all attorneys’ and paralegals’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

- (d) **"Proceeding"** includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation (including any internal investigation), administrative hearing, or any other proceeding, including appeals therefrom, whether civil, criminal, administrative, or investigative, except one initiated by the Indemnitee pursuant to paragraph 8 of this Agreement to enforce such Indemnitee's rights under this Agreement.
- (e) **"Special Legal Counsel"** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, or in the past two years has been, retained to represent (i) the Indemnitor or the Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

2. INDEMNIFICATION.

The Indemnitee shall be entitled to the rights of indemnification provided in this paragraph 2 and under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders or resolution of the Board of Directors or otherwise if, by reason of such Indemnitee's Corporate Status, such Indemnitee is, or is threatened to be made, a party to any threatened, pending, or completed Proceeding, including a Proceeding by or in the right of the Company. Unless prohibited by paragraph 13 hereof and subject to the other provisions of this Agreement, the Indemnitee shall be indemnified hereunder, to the maximum extent permitted by Maryland law in effect from time to time, against judgments, penalties, fines, liabilities, and settlements and reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with such Proceeding or any claim, issue or matter therein; provided, however, that if such Proceeding was initiated by or in the right of the Company, indemnification may not be made in respect of such Proceeding if the Indemnitee shall have been finally adjudged to be liable to the Company. For purposes of this paragraph 2, excise taxes assessed on the Indemnitee with respect to an employee benefit plan pursuant to applicable law shall be deemed fines.

3. EXPENSES OF A SUCCESSFUL PARTY.

Without limiting the effect of any other provision of this Agreement, including the rights provided for in paragraphs 2 and 4 hereof, and without regard to the provisions of paragraph 6 hereof, to the extent that the Indemnitee is, by reason of such Indemnitee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding pursuant to a final non-appealable order, such Indemnitee shall be indemnified against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection therewith. If the Indemnitee is not wholly successful in such Proceeding pursuant to a final non-appealable order but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters in such Proceeding pursuant to a final non-appealable order, the Indemnitor shall indemnify the Indemnitee against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this paragraph and without limitation, the termination of any claim, issue or matter in such Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

4. ADVANCEMENT OF EXPENSES.

Notwithstanding anything in this Agreement to the contrary, but subject to paragraph 13 hereof, if the Indemnitee is or was or becomes a party to or is otherwise involved in any Proceeding (including as a witness), or is or was threatened to be made a party to or a participant (including as a witness) in any such Proceeding, by reason of the Indemnitee's Corporate Status, or by reason of (or arising in part out of) any actual or alleged event or occurrence related to the Indemnitee's Corporate Status, or by reason of any actual or alleged act or omission on the part of the Indemnitee taken or omitted in or relating to the Indemnitee's Corporate Status, then the Indemnitor shall advance all reasonable Expenses incurred by the Indemnitee in connection with any such Proceeding within twenty (20) days after the receipt by the Indemnitor of a statement from the Indemnitee requesting such advance from time to time, whether prior to or after final disposition of such Proceeding; provided that, such statement shall reasonably evidence the Expenses incurred or to be incurred by the Indemnitee and shall include or be preceded or accompanied by (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Indemnitor as authorized by this Agreement has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amounts advanced if it should ultimately be determined

that the standard of conduct has not been met. The undertaking required by clause (ii) of the immediately preceding sentence shall be an unlimited general obligation of the Indemnitee but need not be secured and may be accepted without reference to financial ability to make the repayment.

5. WITNESS EXPENSES.

Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee is, by reason of such Indemnitee's Corporate Status, a witness for any reason in any Proceeding to which such Indemnitee is not a named defendant or respondent, such Indemnitee shall be indemnified by the Indemnitor against all Expenses actually incurred by or on behalf of such Indemnitee in connection therewith.

6. DETERMINATION OF ENTITLEMENT TO AND AUTHORIZATION OF INDEMNIFICATION.

- (a) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Indemnitor a written request, including therewith such documentation and information reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification.
- (b) Indemnification under this Agreement may not be made unless authorized for a specific Proceeding after a determination has been made in accordance with this paragraph 6(b) that indemnification of the Indemnitee is permissible in the circumstances because the Indemnitee has met the following standard of conduct: the Indemnitor shall indemnify the Indemnitee in accordance with the provisions of paragraph 2 hereof, unless it is established that: (a) the act or omission of the Indemnitee was material to the matter giving rise to the Proceeding and (x) was committed in bad faith or (y) was the result of active and deliberate dishonesty; (b) the Indemnitee actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Upon receipt by the Indemnitor of the Indemnitee's written request for indemnification pursuant to subparagraph 6(a), a determination as to whether the applicable standard of conduct has been met shall be made within the period specified in paragraph 6(e): (i) if a Change in Control shall have occurred, by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee, with Special Legal Counsel selected by the Indemnitee (the Indemnitee shall give prompt written notice to the Indemnitor advising the Indemnitor of the identity of the Special Legal Counsel so selected); or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of directors not, at the time, parties to the Proceeding, or, if such quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors consisting solely of two or more directors not, at the time, parties to such Proceeding and who were duly designated to act in the matter by a majority vote of the full Board of Directors in which the designated directors who are parties may participate, (B) if the requisite quorum of the full Board of Directors cannot be obtained therefor and the committee cannot be established (or, even if such quorum is obtainable or such committee can be established, if such quorum or committee so directs), by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Special Legal Counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in clause (ii)(A) of this paragraph 6(b) (or, if the requisite quorum of the full Board of Directors cannot be obtained therefor and the committee cannot be established, by a majority of the full Board of Directors in which directors who are parties to the Proceeding may participate) (if the Indemnitor selects Special Legal Counsel to make the determination under this clause (ii), the Indemnitor shall give prompt written notice to the Indemnitee advising him or her of the identity of the Special Legal Counsel so selected) or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that the Indemnitee is entitled to indemnification, payment to the Indemnitee shall be made within ten (10) days after such determination. Authorization of indemnification and determination as to reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible. However, if the determination that indemnification is permissible is made by Special Legal Counsel under clause (ii)(B) above, authorization of indemnification and

determination as to reasonableness of Expenses shall be made in the manner specified under clause (ii)(B) above for the selection of such Special Legal Counsel.

- (c) The Indemnitee shall cooperate with the person or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating shall be borne by the Indemnitor (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Indemnitor hereby indemnifies and agrees to hold the Indemnitee harmless therefrom.
- (d) In the event the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(b) hereof, the Indemnitee, or the Indemnitor, as the case may be, may, within seven days after such written notice of selection shall have been given, deliver to the Indemnitor or to the Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the grounds that the Special Legal Counsel so selected does not meet the requirements of "Special Legal Counsel" as defined in paragraph 1 of this Agreement. If such written objection is made, the Special Legal Counsel so selected may not serve as Special Legal Counsel until a court has determined that such objection is without merit. If, within twenty (20) days after submission by the Indemnitee of a written request for indemnification pursuant to paragraph 6(a) hereof, no Special Legal Counsel shall have been selected or, if selected, shall have been objected to, either the Indemnitor or the Indemnitee may petition a court for resolution of any objection which shall have been made by the Indemnitor or the Indemnitee to the other's selection of Special Legal Counsel and/or for the appointment as Special Legal Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Special Legal Counsel under paragraph 6(b) hereof. The Indemnitor shall pay all reasonable fees and expenses of Special Legal Counsel incurred in connection with acting pursuant to paragraph 6(b) hereof, and all reasonable fees and expenses incident to the selection of such Special Legal Counsel pursuant to this paragraph 6(d). In the event that a determination of entitlement to indemnification is to be made by Special Legal Counsel and such determination shall not have been made and delivered in a written opinion within ninety (90) days after the receipt by the Indemnitor of the Indemnitee's request in accordance with paragraph 6(a), upon the due commencement of any judicial proceeding in accordance with paragraph 8(a) of this Agreement, Special Legal Counsel shall be discharged and relieved of any further responsibility in such capacity.
- (e) If the person or entity making the determination whether the Indemnitee is entitled to indemnification shall not have made a determination within forty-five (45) days after receipt by the Indemnitor of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be entitled to such indemnification, absent: (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. Such 45-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person or entity making said determination in good faith requires additional time for the obtaining or evaluating of documentation and/or information relating thereto. The foregoing provisions of this paragraph 6(e) shall not apply: (i) if the determination of entitlement to indemnification is to be made by the stockholders and if within fifteen (15) days after receipt by the Indemnitor of the request for such determination the Board of Directors resolves to submit such determination to the stockholders for consideration at an annual or special meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made at such meeting, or (ii) if the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(b) of this Agreement.

7. PRESUMPTIONS.

- (a) In making a determination with respect to entitlement or authorization of indemnification hereunder, the person or entity making such determination shall presume that the Indemnitee is entitled to indemnification under this Agreement and the Indemnitor shall have the burden of proof to overcome such presumption.
- (b) The termination of any Proceeding by conviction, or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

8. REMEDIES.

- (a) In the event that: (i) a determination is made in accordance with the provisions of paragraph 6 that the Indemnitee is not entitled to indemnification under this Agreement, or (ii) advancement of reasonable Expenses is not timely made pursuant to this Agreement, or (iii) payment of indemnification due the Indemnitee under this Agreement is not timely made, the Indemnitee shall be entitled to an adjudication in an appropriate court of competent jurisdiction of such Indemnitee's entitlement to such indemnification or advancement of Expenses.
- (b) In the event that a determination shall have been made pursuant to paragraph 6 of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this paragraph 8 shall be conducted in all respects as a de novo trial on the merits. The fact that a determination had been made earlier pursuant to paragraph 6 of this Agreement that the Indemnitee was not entitled to indemnification shall not be taken into account in any judicial proceeding commenced pursuant to this paragraph 8 and the Indemnitee shall not be prejudiced in any way by reason of that adverse determination. In any judicial proceeding commenced pursuant to this paragraph 8, the Indemnitor shall have the burden of proving that the Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.
- (c) If a determination shall have been made or deemed to have been made pursuant to this Agreement that the Indemnitee is entitled to indemnification, the Indemnitor shall be bound by such determination in any judicial proceeding commenced pursuant to this paragraph 8, absent: (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.
- (d) The Indemnitor shall be precluded from asserting in any judicial proceeding commenced pursuant to this paragraph 8 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Indemnitor is bound by all the provisions of this Agreement.
- (e) In the event that the Indemnitee, pursuant to this paragraph 8, seeks a judicial adjudication of such Indemnitee's rights under, or to recover damages for breach of, this Agreement, if successful on the merits or otherwise as to all or less than all claims, issues or matters in such judicial adjudication, the Indemnitee shall be entitled to recover from the Indemnitor, and shall be indemnified by the Indemnitor against, any and all reasonable Expenses actually incurred by such Indemnitee in connection with each successfully resolved claim, issue or matter.

9. NOTIFICATION AND DEFENSE OF CLAIMS.

The Indemnitee agrees promptly to notify the Indemnitor in writing upon being served with any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder, but the failure so to notify the Indemnitor will not relieve the Indemnitor from any liability that the Indemnitor may have to Indemnitee under

this Agreement unless the Indemnitor is materially prejudiced thereby. With respect to any such Proceeding as to which Indemnitee notifies the Indemnitor of the commencement thereof:

- (a) The Indemnitor will be entitled to participate therein at its own expense.
- (b) Except as otherwise provided below, the Indemnitor will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Indemnitor to Indemnitee of the Indemnitor's election so to assume the defense thereof, the Indemnitor will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and disbursements of such counsel incurred after notice from the Indemnitor of the Indemnitor's assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by Indemnitee has been authorized by the Indemnitor, (b) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Indemnitor and the Indemnitee in the conduct of the defense of such action, (c) such Proceeding seeks penalties or other relief against the Indemnitee with respect to which the Indemnitor could not provide monetary indemnification to the Indemnitee (such as injunctive relief or incarceration) or (d) the Indemnitor shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and disbursements of counsel shall be at the expense of the Indemnitor. The Indemnitor shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Indemnitor, or as to which Indemnitee shall have reached the conclusion specified in clause (b) above, or which involves penalties or other relief against Indemnitee of the type referred to in clause (c) above.
- (c) The Indemnitor shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without the Indemnitor's written consent. The Indemnitor shall not settle any action or claim in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Indemnitor nor Indemnitee will unreasonably withhold or delay consent to any proposed settlement.

10. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE SUBROGATION.

- (a) The rights of indemnification and to receive advancement of reasonable Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders, a resolution of the Board of Directors or otherwise, except that any payments otherwise required to be made by the Indemnitor hereunder shall be offset by any and all amounts received by the Indemnitee from any other indemnitor or under one or more liability insurance policies maintained by an indemnitor or otherwise and shall not be duplicative of any other payments received by an Indemnitee from the Indemnitor in respect of the matter giving rise to the indemnity hereunder. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to the Indemnitee with respect to any action taken or omitted by the Indemnitee prior to such amendment, alteration or repeal.
- (b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors and officers of the Company, the Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available and upon any Change in Control the Company shall use commercially reasonable efforts to obtain or arrange for continuation and/or "tail" coverage for the Indemnitee to the maximum extent obtainable at such time.
- (c) In the event of any payment under this Agreement, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all actions necessary to secure such rights, including execution of such documents as are necessary to enable the Indemnitor to bring suit to enforce such rights.

(d) The Indemnitor shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, or otherwise.

11. CONTINUATION OF INDEMNITY.

(a) All agreements and obligations of the Indemnitor contained herein shall continue during the period the Indemnitee is an officer or a member of the Board of Directors of the Company and shall continue thereafter so long as the Indemnitee shall be subject to any threatened, pending or completed Proceeding by reason of such Indemnitee's Corporate Status and during the period of statute of limitations for any act or omission occurring during the Indemnitee's term of Corporate Status. This Agreement shall be binding upon the Indemnitor and its respective successors and assigns and shall inure to the benefit of the Indemnitee and such Indemnitee's heirs, executors and administrators.

(b) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

12. SEVERABILITY.

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable.

13. EXCEPTIONS TO RIGHT OF INDEMNIFICATION OR ADVANCEMENT OF EXPENSES.

Notwithstanding any other provisions of this Agreement, the Indemnitee shall not be entitled to indemnification or advancement of reasonable Expenses under this Agreement with respect to (i) any Proceeding initiated by such Indemnitee against the Indemnitor other than a proceeding commenced pursuant to paragraph 8 hereof, or (ii) any Proceeding for an accounting of profits arising from the purchase and sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, rules and regulations promulgated thereunder, or any similar provisions of any federal, state or local statute.

14. NOTICE TO THE COMPANY STOCKHOLDERS.

Any indemnification of, or advancement of reasonable Expenses, to an Indemnitee in accordance with this Agreement, if arising out of a Proceeding by or in the right of the Company, shall be reported in writing to the stockholders of the Company with the notice of the next Company stockholders' meeting or prior to the meeting.

15. HEADINGS.

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

16. MODIFICATION AND WAIVER.

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. NOTICES.

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, if so delivered or mailed, as the case may be, to the following addresses:

If to the Indemnitee, to the address set forth in the records of the Company.

If to the Indemnitor, to:

Farmland Partners Inc.
4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Executive Officer

with a copy (which shall not constitute notice) to:

Morrison & Foerster LLP
2000 Pennsylvania Avenue
Suite 6000
Washington, DC 20006
Attention: Justin R. Salon, Esq.
Fax: 202-887-0763
Email: JSalon@mofo.com

or to such other address as may have been furnished to the Indemnitee by the Indemnitor or to the Indemnitor by the Indemnitee, as the case may be.

18. GOVERNING LAW.

The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without application of the conflict of laws principles thereof.

19. NO ASSIGNMENTS.

The Indemnitee may not assign its rights or delegate obligations under this Agreement without the prior written consent of the Indemnitor. Any assignment or delegation in violation of this paragraph 19 shall be null and void.

20. NO THIRD-PARTY RIGHTS.

Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns.

21. COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute an agreement binding on all of the parties hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FARMLAND PARTNERS INC.

By: _____
Name: _____
Title: _____

INDEMNITEE:

By: _____
Name: _____
Title: _____

Signature Page to Indemnification Agreement

Schedule A

Indemnitee	Date
Paul A. Pittman	April 16, 2014
Luca Fabbri	April 16, 2014
Jay Bartels	April 16, 2014
Chris A. Downey	April 16, 2014
Dean Jernigan	April 16, 2014
Darell D. Sarff	April 16, 2014
Robert S. Solomon	April 16, 2014
Joseph W. Glauber	February 25, 2015
Michael N. Christodolou	November 20, 2015
John C. Conrad	March 27, 2016
Robert L. Cowan	February 2, 2017
D. Dixon Boardman	February 2, 2017
Thomas S.T. Gimbel	February 2, 2017
John A. Good	January 21, 2018
Erica Borenstein	November 14, 2018
Thomas P. Heneghan	December 7, 2020
Toby L. O'Rourke	February 11, 2021

MASTER REAL ESTATE PURCHASE AGREEMENT

This Master Real Estate Purchase Agreement (this “**Agreement**”) is entered into as of the 20th day of January, 2021 (the “**Effective Date**”), by and between Farmland Partners Operating Partnership, LP, a Delaware limited partnership, located at 4600 S. Syracuse St., Suite 1450, Denver, CO 80237 (“**FPI**”), and FPI, on behalf of each of the Sellers set forth on Attachment A (each a “**Seller**” and collectively the “**Sellers**”), and Promised Land Opportunity Zone Farms I, LLC, a Delaware limited liability company, located at 2112 W. Galena Blvd., Ste. 8-437, Aurora, IL 60506 (“**Buyer**”).

RECITALS

A. FPI is the duly authorized agent of the Sellers who own the tracts of real estate that are further described and set forth on Attachment A and Attachment A-1 (each a “**Property**” and collectively the “**Properties**”);

B. Sellers desire to sell and Buyer desires to purchase the Properties in one or more transactions, subject to the terms and conditions that are set forth in this Agreement; and,

C. Buyer is purchasing the Properties with the intent of making certain capital improvements to the Properties in cooperation with Seller that are consistent with the Opportunity Zone laws and regulations in the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97 (2017)) and its related final Treasury Regulations (Treas. Reg. §§ 1.1400Z2(a)-1 to 1.1400Z2(f)-1, 85 FR 1866-01) (collectively the “**OZ Laws**”).

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, agreements, covenants and conditions herein contained, and other good and valuable consideration, FPI (on behalf of Sellers) and Buyer agree as follows:

1. PURCHASE & SALE. Subject to the terms and conditions set forth in this Agreement, Sellers shall convey fee simple title in each Property to Buyer, or subject to Seller’s prior consent (unless such assignee is owned or controlled by Buyer), any assignee or designee of Buyer, by good, sufficient and recordable warranty deed, subject only to the Permitted Title Exceptions. Buyer agrees to pay each Seller the “**Purchase Price**” for each Property as set forth opposite each Seller’s name on Attachment A. The aggregate purchase price due to the Sellers for all of the Properties shall be as set forth on Attachment A (the “**Total Purchase Price**”). Each Property shall include any improvements and fixtures located thereon, including but not limited to, all buildings, scales, pivots, electric irrigation motors, pumps, gearheads, submersible pumps, generators, underground pipes, and all other related irrigation equipment, all water rights, all oil, gas, coal, and other mineral rights, all timber rights, all development rights, all conservation easements, all leases, appurtenances and hereditaments, as well as all title and interest to easements and rights-of-way, now located thereon or attached thereto which shall be left in and upon said premises, subject to reasonable wear and tear, and all of which shall be included within the definition of “Property” for all purposes herein.

2. EARNEST MONEY. Within five (5) days of execution of this Agreement by both parties, Buyer shall deposit the sum of Five Hundred Thousand Dollars (\$500,000) (the “**Earnest Money**”), with Attorneys’ Title Guarantee Fund, Inc. (the “**Escrowee**”) that will be applied to the Purchase Price due to each Seller at the first Closing of a Property sale, or in the event that this Agreement is terminated by Buyer as permitted pursuant to this Agreement, the Earnest Money shall be refunded to Buyer. Disbursement of any Earnest Money shall be pursuant to an executed Escrow Agreement between the Parties and the Escrowee.

3. PAYMENT OF PURCHASE PRICE: The Purchase Price for each Property shall be payable by Buyer to each Seller as follows: (i) cash at Closing, and (ii) a Convertible Note in the form attached hereto as Attachment B (each a “**Convertible Note**”). The amount of each Convertible Note shall be equal to the Purchase Price, plus the estimated amount of the Improvement Costs to the Property set forth on Attachment A, less any assumed Property Loan that is secured by the Property, times ten percent (10%).

4. PROPERTY INFORMATION, GOVERNMENT AGRICULTURAL PROGRAM PAYMENTS. As soon as practical, but in any case no later than three (3) days of the execution of this Agreement by both parties, FPI will provide, to the extent that such documentation is in FPI’s or a Seller’s possession or within their reasonable control, true, correct, and

complete copies of all: (i) leases of any portion of each Property (“Leases”); (ii) state and federal government agricultural program documents applicable to each Property (“Government Programs”); (iii) other contracts and agreements related to each Property such as billboard, hunting, cell tower, wind or solar licenses, or other agreements (“Other Contracts”); (iv) existing title commitments, surveys, easements, and title exception documents for each Property (“Title Documents”); (v) financial statements, statements of cash flows, income statements, balance sheets, bank statements, and other financial information related to the operation of each Property (“Property Financial Information”); (vi) Farm Service Agency maps and Abbreviated 156 Farm Records; (vii) well permits; (viii) real property tax invoices, (ix) any surveys of each Property in the possession of FPI or a Seller; (x) any other relevant business, governmental or regulatory documents that Buyer has reasonably requested prior to the Effective Date ; and (xi) a list of all loans pertaining to each Property (each a “Property Loan”) and collectively the “Property Loans” together with documentation thereof, including whether such loans are transferable or assumable (the foregoing items 4(i) — (xi) being collectively referred to as the “Property Information”). Buyer shall determine and notify Seller within ten (10) days of receipt of the Property Loans whether Buyer wishes to assume any of the Property Loans, in its sole discretion. For the Property Loans Buyer wishes to assume, FPI shall cooperate, or require Sellers to cooperate, at Buyer’s expense, in the assignment and assumption of each applicable Property Loan to be effective upon the applicable Closing, and the then outstanding balance of any Property Loan so assumed as of the Closing Date shall be applied as a credit against the Purchase Price for that applicable Property. Sellers shall also execute all relevant releases, which would allow Buyer to obtain any reasonable information which is not within the reasonable control of a Seller. Buyer agrees to continue to honor any existing Government Programs contract affecting the Properties (each, a “Governmental Contract”), to the extent assignable and assigned and assumed by Buyer at a Closing. Sellers shall be responsible for any Governmental Contracts to the extent not so assigned. All Property Loans, Leases, Governmental Contracts and Other Contracts are set forth on Attachment E by Property. Each party agrees to indemnify and hold harmless the other party for any damage it may sustain by reason of any failure of the indemnifying party to keep or perform any of the covenants and obligations provided to be kept or performed under the terms and conditions of any assigned Governmental Contract, Lease or Other Contract that is assigned for which the indemnifying party is responsible. The assignment agreements to be delivered at Closing with respect to such Governmental Contract, Lease, or Other Contract at Closing shall specify that Seller shall indemnify Buyer for periods prior to Closing and Buyer shall indemnify Seller for periods after the Closing.

5. POSSESSION, PRORATIONS AND EXPENSES

- a. *Possession.* Sole and exclusive possession of each Property, subject to the Leases, shall be delivered to Buyer on the applicable Closing Date. All Leases, Government Contracts and Other Contracts, shall be expressly assumed by Buyer.
- b. *Real Estate Taxes & Assessments.* General and special real estate, drainage assessment taxes, and other ad valorem taxes and assessments and other state, city or local taxes, fees, charges and assessments affecting each Property (“Taxes & Assessments”) for 2020 real estate Taxes & Assessments, due and payable in 2021 shall be paid by Seller. The 2021 Taxes and Assessments, and all future years, shall be prorated as of the Closing for each Property.
- c. *Expenses.* For each Property, each Seller shall be responsible for the payment of all sales, use and state, county, and local transfer taxes that are customarily allocated to a Seller, all costs of title insurance premiums and charges for the issuance of the Title Policy for each Property, all recording fees for the deed and instruments of conveyance, fifty percent (50%) of all other escrow fees. Buyer shall be responsible for the payment of all sales, use and state, county, and local transfer taxes that are customarily allocated to a Buyer, of all recording fees for any mortgage, or assignment of mortgage, and fifty percent (50%) of all other escrow fees for each Property. In the event that sales, use and state, county, and local transfer taxes are not customarily the responsibility of a Buyer or Seller, those expenses shall be shared equally between Buyer and Seller. The fees and expenses of Sellers’ designated representatives, accountants and attorneys shall be borne by Sellers, and the fees and expenses of Buyer’s designated representatives, accountants and attorneys shall be borne by Buyer.
- d. *Leases.* Each applicable Seller shall assign to Buyer, and Buyer shall assume, all Leases. Rents and other payments payable under row crop Leases will be prorated as of Closing. With respect to any specialty crop leases, the Parties will work in good faith to divide the rent payments following the principal that costs and revenues associated with 2020 will go to Seller and costs and revenues associate with 2021 will be prorated as of Closing.

- e. *Government Program Payments.* All Government Program payments for a given crop year will be prorated as of Closing.
- f. *Other Contracts.* If there are any Other Contracts all amounts payable thereunder shall be prorated as of Closing.
- g. *Reproration.* In the event that any amount being prorated pursuant to this section is based on amounts that are not final, or are being estimated for any reason, the Parties agree to repropate such amounts when the final amounts become available. Either Party may demand for a repropation by providing written notice to the other Party with sufficient detail to provide for a reconciliation of the prorated amounts and the amount due as a result of such repropation. The Party receiving such written demand shall then have sixty (60) days to either pay the amount due, or to contest the amount of the proration. Any disputes concerning the amounts due to a Party shall be resolved by an independent account selected by the Parties, and in the event that they cannot agree on an accountant, then KPMG shall make a final determination as soon as practical thereafter. The costs of any repropation dispute shall be shared equally by the Parties.
- h. *Partial Assignments of Contracts.* In the event that any contract, lease, or other agreement, covers more than one property, including property that is not being acquired by the Buyer, the Parties agree to assign and prorate the obligations and amounts due under such contracts pursuant to the terms and conditions of an equitable apportionment of such agreements.

6. CLOSING, DELIVERIES

- a. *Closing.* The closing of the purchase and sale of each applicable Property listed on Attachment A shall take place on a business day the Title Company is open within ten (10) days following Buyer's notification to Seller that all conditions precedent to Buyer's obligation to purchase such Properties have been fulfilled or waived by Buyer, at the offices of the Title Company, or on such other date, time and place as the parties may mutually agree (the "Closing Date"). Each closing referred to in this Section shall be referred to herein as a "Closing". The Parties contemplate that one or more Closings will occur as the conditions set forth in Section 7 are met with respect to each Property. In the event that no Closings have occurred on or before March 31, 2021 (the "Outside Closing Date"), Seller shall have the right to terminate this Agreement. In the event the Outside Closing Date is not met as a result of the failure to meet each of the conditions set forth in Sections 7(a), 7(b), or 7(c), and Buyer exercises its right to terminate the Agreement pursuant to Section 7(d), the Earnest Money will be returned to Buyer. The Parties also agree that no Closing will occur until such time as Buyer is prepared to close on not less than \$13,500,000 of Property including any improvements set forth in Schedule A (the "Minimum Purchase Obligation"). The Parties agree that after the closing on the Minimum Purchase Obligation, the balance of the Property listed in Attachment A may be purchased by Buyer at its option provided such Closings occur no later than June 30, 2021 for all Property other than Ironwood and Roadrunner Ranch which Buyer shall have twelve months from the Effective Date to purchase ("Subsequent Closings"). All rent shall be prorated through the Closing Date for each Property.
- b. *Sellers 'Deliveries.* On each Closing Date, FPI shall deliver to Buyer, and in exchange for the payment to each Seller of the applicable Purchase Price (plus or minus prorations), the following executed closing documents for each Property:
 - (i) Seller's warranty or trustee's deed conveying to Buyer fee simple title to the Property, subject only to the Permitted Title Exceptions;
 - (ii) An Assignment and Assumption Agreement for all Leases, Government Programs, and Other Contracts applicable to such Property and any applicable third party consent required under any such agreement, all in a form reasonably acceptable to Buyer;
 - (iii) The consent of the lender or lenders under any Property Loan being assumed by Buyer, together with such loan assignment and assumption documents, all in a form reasonably acceptable to Buyer;
 - (iv) A duly completed and executed certification of non-foreign status pursuant to Section 1445 of the Code and

Section 1.1445-2(b)(2) of the Treasury Regulations; and

- (v) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Company to fully effect and consummate the transactions contemplated hereby.
- c. *Approval of Closing Documents.* All closing documents to be furnished by FPI or Buyer pursuant hereto shall be in form, execution and substance reasonably satisfactory to both Buyer and Seller unless otherwise set forth in this Section 6.
- d. *Buyer's Deposits.* On each Closing Date, Buyer shall deliver the following to FPI, and in exchange for Seller's deliveries as aforesaid, the following executed documents for each Property:
 - (i) An Assignment and Assumption Agreement for all Leases, Governmental Contracts, and Other Contracts applicable to such Property and any applicable third party consent that requires Buyer's acceptance or consent;
 - (ii) The cash portion of the Purchase Price and the Convertible Note;
 - (iii) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated the Title Company to fully effect and consummate the transactions contemplated hereby.
- e. *Joint Deposits.* Seller and Buyer shall jointly execute all state, county, and local transfer/transaction tax declarations, and shall jointly execute and deliver to each other an agreed proration and closing statement.
- f. *Concurrent Transactions.* All documents or other deliveries required to be made by Buyer or Seller at a Closing, and all transactions required to be consummated concurrently with a Closing shall be deemed to have been delivered and to have been consummated simultaneously with all other transactions and all other deliveries, and no delivery shall be deemed to have been made and no transactions shall be deemed to have been consummated until all deliveries required by Buyer or its designee and each Seller shall have been made, and all concurrent and other transactions shall have been consummated.

7. CONDITIONS PRECEDENT TO CLOSING. In addition to other conditions set forth in this Agreement, Buyer's obligation to purchase each Property shall be subject to and contingent upon the following conditions precedent, any or all of which Buyer may waive by written notice to FPI only:

- a. *Financing Contingency.* The purchase and sale of each Property shall be subject to Buyer securing financing for the purchase of each Property equal to forty percent (40%) of the Purchase Price of each Property, at market interest rates, without additional security or guaranty of any other party, other than Buyer.
- b. *Title Review.* The purchase and sale of each Property shall be subject to Seller curing any and all Original Title Objections and the review and approval of the title commitment and survey for each Property to insure that each Property is being conveyed to Buyer free and clear of all encumbrances, other than the Permitted Title Exceptions. Notwithstanding the above, Buyer's approval of the title commitment is subject to the terms set forth in Section 9(a).
- c. *Opportunity Zone Feasibility & Compliance.* All Property must be located at least partially in an Opportunity Zone as that term is defined in the OZ Laws, and all capital improvement plans for each Property must be approved by Seller and Buyer prior to Closing and must meet OZ Law requirements as determined in good faith by Buyer's independent third party auditor at KPMG ("QOZB Improvements").
- d. *Cancellation.* If any of the foregoing conditions precedent is not satisfied or waived in writing by Buyer, Buyer may, but shall not be obligated to, elect, at its option, by written notice to FPI prior to the earlier of the time set for a Closing or the specific deadline (as applicable) described within this Section 7, to terminate Buyer's obligation to purchase the Property for which any of the foregoing conditions precedent is not satisfied or waived. In the event the Outside Closing Date is not met as a result of the failure to meet each of the conditions set forth in Sections 7(a), 7(b), or 7(c) and Buyer decides to terminate its obligation to purchase all remaining Property as provided herein, then

this Agreement shall terminate and any remaining Earnest Money shall be returned to Buyer and the parties hereto shall have no further obligation or liability with respect to such Properties.

e. *Additional Property Conditions.* The obligation to purchase certain Properties will be subject to the additional conditions that are set forth on Attachment F.

8. REPRESENTATIONS AND WARRANTIES OF AND INDEMNITY BY SELLERS

a. *Representations and Warranties of Sellers.* To induce Buyer to execute, deliver and perform this Agreement, and the ancillary agreements, and without regard to any independent investigations made by Buyer, FPI and Sellers, jointly and severally, hereby represent and warrant to Buyer and its successor and assigns on and as of the Effective Date (unless otherwise expressly set forth below) as follows:

(i) *Due Authorization.* Sellers are duly organized, validly existing, and in good standing under the laws of its state of organization. FPI and Sellers have the full right and lawful authority to enter into this Agreement and all ancillary agreements and perform all of their obligations under this Agreement, and no other parties have any right or ownership in or to the Properties. The execution and delivery of this Agreement and the performance of Sellers of their obligations hereunder have been duly authorized by all requisite action of the Sellers and require no further action or approval of Sellers' members, partners, stockholders, managers, board of directors, trustees or other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Sellers. The transactions contemplated hereby will not result in a breach of, or constitute a default or permit acceleration of maturity under, any indenture, mortgage, deed of trust, loan agreement or other agreement to which a Seller or a Property is subject or by which a Seller or a Property is bound. The foregoing representations and warranties in this paragraph (i) shall extend to each Closing Date;

(ii) *Accuracy of Representations and Warranties.* All representations and warranties of Sellers appearing in the other Articles and Sections of this Agreement are true and correct;

(iii) *Property Information.* The Property Information and all other information and documents delivered hereunder, including the documents delivered to Buyer pursuant to this Agreement are true, correct and complete in all material respects, and does not omit any material information required to make the submission thereof fair and complete. True, correct and complete copies of all Property Loans, Leases, Governmental Contracts and Other Contracts have been provided by FPI to Buyer. All Property Loans, Leases, Governmental Contracts and Other Contracts are currently in force and effect, and there is no default, nor any event which with the giving of notice or passage of time, or both, would constitute a default, under any such Property Loan documents, Lease, Governmental Contract or Other Contract. All such Leases or Other Contracts may be assigned by Seller to Buyer at Closing without requirement of consent by any third party, including any tenant or lender. Other than the Property Loans, Leases, Governmental Contracts and Other Contracts listed on Attachment E, there are no other material agreements, oral or written, affecting the Properties;

(iv) *Litigation.* There are no claims, causes of action or other litigation or proceedings pending or threatened in respect to the ownership, operation or environmental condition of the Properties;

(v) *No New Encumbrances.* Since the Effective Date, Sellers have not conveyed any portion of the Properties or any rights therein, or entered into any lease, license, conveyance, security document, easement or other agreement, or amended any lease or existing agreement granting to any other person or entity any rights with respect to the Properties or any part thereof, or any interest whatsoever therein. No amendments or extensions have been made to any Leases without Buyer's prior written consent and Sellers have operated the Properties in the ordinary course of business consistent with its current practices through each applicable Closing Date.

(vi) *Environmental Conditions.* To the best of Seller's knowledge, without independent inquiry, that during the period of Seller's ownership or control over the Property, Seller has no knowledge of, nor reason to suspect,

that there has been any underground storage (or other) tank or any presence, disposal, release, or threatened release of hazardous substances or hazardous wastes on, from or under the premises, by or through Seller, or any other party whatsoever. Seller similarly represents that to the best of Seller's knowledge, without independent inquiry, there was no underground storage (or other) tank, nor any presence, disposal, release or threatened release of hazardous substances or hazardous waste on, from or under the premises prior to Seller's acquisition or ownership or control of the Property. The foregoing representations and warranties in this paragraph (vi) shall extend to each Closing Date.

(vii) *Foreign Person.* Sellers are not foreign persons within the meaning of Section 1445(f)(3) of the Internal Revenue Code, and no portion of the Total Purchase Price is required to be withheld by Buyer pursuant to Code Section 1445 and the regulations promulgated thereunder. The foregoing representations and warranties in this paragraph (vii) shall extend to each Closing Date;

(viii) *Condemnation.* To the best of Seller's knowledge there are no existing, pending contemplated, threatened or anticipated (i) condemnation of any part of the Properties, (ii) widening, change of grade or limitation on use of streets, roads or highways abutting the Properties, (iii) special tax or assessment to be levied against the Properties, (iv) change in the zoning classification of the Properties, or (v) change in the tax assessment of the Properties. The foregoing representations and warranties in this paragraph (viii) shall extend to each Closing Date, provided that in the event of a condemnation after the Effective Date, Seller or Buyer shall have the right to remove such Property from Attachment A; and

(ix) *Violations.* To the best of Seller's knowledge, there are no violations of any material health, safety, pollution, environmental, zoning or other laws, ordinances, rules or regulations with respect to the Properties, which Seller previously had knowledge of and have not been heretofore entirely corrected;

b. *Indemnity by Sellers.* FPI and Sellers hereby jointly and severally agree to indemnify, defend and hold Buyer harmless from and against any and all loss, damage, liability and expense (including reasonable attorneys' fees and other litigation expenses) Buyer may suffer, sustain or incur as a result of any misrepresentation, or breach of warranty or agreement, made by FPI or Seller under or in respect to this Agreement.

c. *Sellers' Covenants.*

(i) FPI shall notify Buyer promptly if FPI or Sellers become aware of any transaction or occurrence prior to a Closing Date which would make any of the representations or warranties of FPI and Sellers, untrue in any material respect.

(ii) Neither FPI, nor any Seller, shall file any tax appeals without Buyer's written consent with respect to any taxes for which Buyer is responsible paying pursuant to this Agreement.

(iii) From the Effective Date until June 30, 2021 or the termination of this Agreement FPI or any Seller shall not: (a) enter into nor solicit from or negotiate with any third party with respect to the sale, assignment or transfer of all or any portion of the Property or (b) convey any portion of the Properties or any rights therein, or enter into any lease, license, conveyance, security document, easement or other agreement, or amend any lease or existing agreement granting to any other person or entity any rights with respect to the Properties or any part thereof, or any interest whatsoever therein, without Buyer's prior written consent. No material amendments or extensions shall be made to any Leases now in force without Buyer's prior written consent, and Sellers shall continue in all respects to operate the Properties applicable to each Closing in the ordinary course of business consistent with its current practices through each applicable Closing Date.

9. TITLE

a. *Title Commitment.* Buyer acknowledges that Seller has provided a copy of previous title commitment ("Original Title") for each Property. Buyer has delivered a statement of the objections to title to the Property that are set forth on Attachment D ("Original Title Objections").

Seller shall within a reasonable period of the Effective Date, furnish at Seller's expense a commitment and an Owners Title Guaranty Policy (each a "**Title Commitment**" and together the "**Title Commitments**") issued by Attorneys' Title Guarantee Fund, Inc (the "**Title Company**") in the full amount of the Purchase Price for each Property, covering title to each Property on or after the Effective Date, showing each Seller as owner of each Property in fee simple, subject only to the Permitted Title Exceptions.

"Permitted Title Exceptions" shall include the following: (a) all taxes and special assessments for tax periods due and accruing in 2021 now a lien, levied, or confirmed after the date hereof, (b) building, use and occupancy or restrictions, if any, which do not unreasonably interfere with Buyer's intended use of the Properties, (c) zoning laws and ordinances, (d) easements of record or in place affecting the premises, if any, which do not unreasonably interfere with Buyer's intended use of the Properties, (e) drainage ditches, feeders and laterals, if any, (f) conveyances or reservations of coal, minerals and mining rights, if any, of record, (g) mortgage or other lien that may be eliminated at closing by application of the purchase price, (h) rights or tenants in possession if any pursuant to existing Leases, and (i) matters which can only be discovered by a survey of the Properties.

Buyer shall within four (4) business days after receiving such Title Commitments, deliver to each Seller, together with such evidence, a report in writing specifying any objections made to the Title Commitments that were not previously identified in the Original Title Objections. In case (a) Buyer's material objections made to the Title Commitment not previously disclosed in the Original Title Objection are not cured within thirty (30) days after such report is so delivered or (b) a Seller refuses in writing to cure such defects, Buyer may terminate the obligation to purchase the Property within four (4) business days of the earlier of (i) Buyer's receipt of a refusal notice from Seller or (ii) the expiration of the thirty (30) day cure period. In such case of termination by Buyer, the Purchase Price for such Property shall be reduced by the amount allocated to such excluded Property. Seller is selling the Properties and all improvements and personal property "as is, where is" with no warranties of any nature whatsoever except warranty of title contained in the deed to be delivered herein.

10. PERFORMANCE

In the event any party hereto shall fail to perform or observe any of the covenants and conditions undertaken by it (other than an obligation to pay at Closing which shall not have a cure period) herein to be paid, performed or observed, then such party shall be deemed to be in default with respect hereto. In the event of a default by either party, the non-defaulting party shall have the right, following thirty (30) days prior written notice to the other during which period the notified party failed to cure such default, in addition to other remedies available at law or in equity, to: (a) require the defaulting party to perform all of their obligations hereunder, and (b) recover damages, including expenses incurred as a result of the default (including attorneys' fees). In the event of a default by Buyer, including but not limited to a default under Section 14, Sellers shall have the right, in addition to all other rights available at law or in equity to declare this Agreement canceled and retain the Earnest Money.

11. GENERAL CONDITIONS AND STIPULATIONS

- a. Time shall be considered to be of the essence of this Agreement. This Agreement shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. The word "Seller" wherever used herein shall, respectively, be construed to mean Sellers, and the necessary grammatical plural changes shall in all cases be assumed as though in each case fully expressed. The obligations and representations and warranties of each Seller shall be joint and several. Buyer shall be entitled to assign this Agreement to one or more entities that are owned or controlled by Buyer without the consent of FPI or the Sellers.
- b. All notices and demands herein required or given hereunder shall be in writing. The mailing of any such notice or demand by mail to the FPI (on behalf of itself and Sellers) or to the Buyer at their respective addresses hereinbefore set forth shall be considered sufficient service as of three (3) days after mailing. The mailing of such notice or demand to the FPI at said respective address shall be considered to be sufficient service on all such Sellers



respectively. Notice may also be sent by email to the FPI or Buyer at the email addresses indicated on the signature page of this Agreement. A copy of any notice shall also be sent to the parties designated legal representatives.

- c. This Agreement and each Convertible Note, including any documents referenced in each Convertible Note, contain all of the terms and conditions agreed upon by the parties hereof related, and supersedes all oral agreement regarding the subject matter of this Agreement and may only be amended or altered in writing signed by all parties.
- d. FPI and Buyer agree to provide all information necessary to complete and execute all documents and perform all actions necessary to comply with the following: (i) Real Estate Settlement Procedures Act of 1974; (ii) Internal Revenue Service Form 1099S; (iii) Section 1445 of the Internal Revenue Code as amended (which deals with the citizenship of the Seller; (iv) a mutually agreeable summary of the closing transaction and (v) all laws, statutes, ordinances and regulations applicable to the transaction.
- e. Facsimile copies, electronic copies (including electronic signature software) and signatures on this Agreement shall be as valid as an originally signed contract.
- f. This Agreement may be signed in counterparts, which together shall constitute one agreement. If the Agreement is signed in counterparts, no signatory hereto shall be bound until all parties named below have duly executed, or caused to be duly executed, a counterpart of this Agreement.
- g. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.
- h. In the event any dispute between the parties results in litigation, mediation or arbitration or any party is required to retain legal counsel to enforce the provisions hereof, then the prevailing party shall be entitled to recover from the other any and all attorneys' fees and expenses resulting therefrom.
- i. The parties mutually represent and warrant that they have not engaged a real estate broker with respect to the transactions contemplated hereby. Each of FPI, Sellers and Buyer shall indemnify and hold harmless the other parties from any and all claims for real estate fees or brokerage commissions incurred by such other party as a result of a breach of this representation and warranty.

12. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER. Buyer warrants and represents to FPI and each Seller that it is duly organized, validly existing, and in good standing under the laws of its state of organization and has the full right and lawful authority to enter into this Agreement and all ancillary agreements and perform all of their obligations under this Agreement. Buyer further represents and warrants that the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all requisite action of the Buyer and its investors and requires no further action or approval of Buyer's members, partners, stockholders, managers, board of directors, trustees or other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Buyer. The transactions contemplated hereby will not result in a breach of, or constitute a default or permit acceleration of maturity under, any indenture, mortgage, deed of trust, loan agreement or other agreement to which Buyer is subject or by which Buyer is bound. The foregoing representations and warranties in this paragraph 13 shall extend to each Closing Date.

13. FUNDING OF QUALIFIED OPPORTUNITY ZONE FUND

Within thirty (30) days of the Effective Date, Buyer shall provide Seller evidence of closing on the investment of at least \$21,000,000 in capital for the Qualified Opportunity Zone Fund ("QOF"), through a private placement offering under Rule 506(b) of Regulation D. Failure to provide such evidence shall be a material default and upon notice to Buyer, Seller shall have the right to terminate the Agreement immediately and retain the Earnest Money.

14. OPTION TO PURCHASE ADDITIONAL PROPERTY

Provided Buyer is not in default under this Agreement, subject to additional Earnest Money agreed to in writing by the Parties, Buyer shall have the right and option to purchase the property listed in Attachment C ("Additional Property") that is

owned by FPI at a prices set forth therein. In the event Buyer elects to purchase some or all of the Additional Property, Buyer and Seller agree to enter into an addendum to this Agreement that provides for the specific terms and conditions of the Additional Property, including the applicable Original Title Objections, agreed upon QOZB Improvements, updated Property Information, and other necessary terms applicable to each Additional Property. The Closing for any Additional Property shall occur on or before December 31, 2021. Notwithstanding the foregoing, Seller may notify Buyer at any time that it is electing to remove from Attachment C one or more Additional Properties if it reasonably determines that such Additional Properties have increased in value from the value stated on Attachment C as a result of the fact that such Additional Properties can be utilized for non-agricultural use and once any Additional Property has been so removed, Buyer shall no longer have the option to purchase any such Additional Property.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have duly executed this Master Real Estate Purchase Agreement as of the Effective Date first above written.

BUYER:

/s/ John S. Heneghan
John Heneghan, Authorized Agent
Email: John@servantfinancial.com

ON BEHALF OF FPI AND SELLERS:

/s/ Paul A. Pittman
Paul A. Pittman, President & CEO
Email: legal@farmlandpartners.com

Buyer's Counsel:

Steven J. Thayer
Handler Thayer, LLP
191 N. Wacker Drive, 23rd Floor
Chicago, IL 60606
Email: sthaver@handlerthayer.com

Sellers' Counsel:

Erica Borenstein
Email: eborenstein@farmlandpartners.com

ATTACHMENT A
SELLERS AND PROPERTY

Name of Property	Seller	# of Acres	Location	Improvement Cost	Purchase Price
Roberts Trust #514	FPI Illinois II LLC	236	Douglas County, IL	\$ 225,000	\$ 2,501,600
Beckerdite	PH Farms LLC	120	Schuylerville County, IL	\$ 175,000	\$ 1,140,000
Copes	PH Farms LLC	137	Schuylerville County, IL	\$ 183,000	\$ 1,438,500
Patchett	FPI Illinois I LLC	195	Edgar County, IL	\$ 260,000	\$ 1,925,625
Matthews	FPI Colorado LLC	1,130	Tunica & DeSoto Counties, MS	\$ 255,000	\$ 5,876,000
Swindoll Darby	FPI Colorado LLC	359	Tunica County, MS	\$ 270,000	\$ 1,579,600
Coopers Mill	FPI Colorado LLC	945	Lee County, SC	\$ 551,000	\$ 3,213,000
Harvin	FPI Properties LLC	144	Richland County, SC	\$ 100,000	\$ 716,462
Sellers	FPI Properties LLC	288	Dillon & Marion Counties, SC	\$ 214,400	\$ 2,116,800
Gaddy Gasque	FPI Properties LLC	126	Dillon & Marion Counties, SC	\$ 65,600	\$ 926,100
Bennettsville	FPI Carolinas LLC	220	Marlboro County, SC	\$ 160,000	\$ 802,380
Ironwood	FPI Ironwood LLC	2,426	Suwannee County, FL	\$ 1,619,355 ¹	\$ 16,193,550
Roadrunner Ranch	Arnold (CA) LLC	243	Tulare County, CA	\$ 1,444,000 ¹	\$ 8,632,575
Total Purchase Price & Acres		6,569		\$ 5,522,355	\$ 47,062,192

Note 1: In the event that Ironwood or Roadrunner Ranch is not purchased on or before June 30, 2021, the Purchase Price for Ironwood and Roadrunner Ranch shall be subject to an increase at a rate equal to .00166667 per month (2% annually) with the first price increase being on July 1, 2021, and on the 1st day of each month thereafter.

**ATTACHMENT A-1
LEGAL DESCRIPTIONS**

[Attached]

Roberts Trust

Tract 1:

THE WEST HALF OF THE NORTHWEST QUARTER, AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, ALL IN SECTION 16, TOWNSHIP 15 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DOUGLAS COUNTY, ILLINOIS.

Tract 2:

THE EAST HALF OF THE NORTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, ALL IN SECTION 16, TOWNSHIP 15 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, SITUATED IN DOUGLAS COUNTY, ILLINOIS;

EXCEPT PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 15 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DOUGLAS COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

FROM AN IRON PIN MONUMENT MARKING THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 16, MEASURE SOUTHERLY ON THE EAST LINE OF THE NORHWEST QUARTER OF SAID SECTION 16 FOR 189.00 FEET TO THE PLACE OF BEGINNING; THENCE DEFLECT 89 DEGREES 05'40" TO THE RIGHT AND MEASURE WESTERLY FOR 506.00 FEET; THENCE DEFLECT 89 DEGREES 05' 40" TO THE LEFT AND MEASURE SOUTHERLY FOR 245.50 FEET; THENCE DEFLECT 90 DEGREES 54' 20" TO THE LEFT AND MEASURE EASTERLY FOR 506.00 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 16: THEN DEFLECT 89 DEGREES 05' 40" TO THE LEFT AND MEASURE NORTHERLY ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 16 FOR 245.50 FEET TO THE PLACE OF BEGINNING, DOUGLAS COUNTY, ILLINOIS;

AND EXCEPT PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 15 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DOUGLAS COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT AN IRON ROD AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 03 MINUTES 48 SECONDS WEST (ASSUMED BEARING) 434.50 FEET ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER TO THE POINT OF BEGINNING, BEING A POINT THAT IS NORTH 89 DEGREES 09 MINUTES 28 SECONDS EAST 13.00 FEET FROM A 6" IRON ROAD; THENCE CONTINUING SOUTH 00 DEGREES 03 MINUTES 48 SECONDS WEST 142.00 FEET ALONG SAID EAST LINE TO A POINT THAT IS NORTH 89 DEGREES 09 MINUTES 28 SECONDS EAST 20.00 FEET FROM A 6" IRON ROD WITH PLASTIC CAP MARKED PLS 2054; THENCE SOUTH 89 DEGREES 09 MINUTES 28 SECONDS WEST 506.00 FEET TO A 6" IRON ROD WITH A PLASTIC CAP MARKED 2054; THENCE NORTH 00 DEGREES 03 MINUTES 48 SECONDS EAST 142.00 FEET; THENCE NORTH 89 DEGREES 09 MINUTES 28 SECONDS EAST 506.00 FEET TO THE POINT OF BEGINNING, DOUGLAS COUNTY, ILLINOIS.

PINS: 08-10-16-100-001, 08-10-16-300-004, 08-10-16-100-004, 08-10-16-300-005

EXHIBIT A

BECKERDITE LEGAL DESCRIPTION (Schuyler Co.)

TRACT I:

A tract of land being part of the Southwest Quarter of Section 25, Township 3 North, Range 4 West of the Fourth Principal Meridian, Schuyler County, Illinois, and being more particularly described as follows.

Beginning at a set iron rod marking the center quarter corner of said Section 25; thence along the East line of the Southwest Quarter of said Section 25, South 01 degrees 05 minutes 12 seconds West, 1354.75 feet to a set iron rod marking the center South one-sixteenth corner of said Section 25; thence leaving said East line, along the South line of the Northeast Quarter of the Southwest Quarter of said Section 25, North 89 degrees 32 minutes 08 seconds West, 1324.32 feet to a set iron rod marking the West one-sixteenth corner of said Section 25; thence leaving said South line, along the West line of the Northeast Quarter of the Southwest Quarter of said Section 25, North 01 degrees 08 minutes 20 seconds East, 1356.32 feet to a set iron rod marking the center West one-sixteenth corner of said Section 25; thence leaving said West line, along the North line of the Southwest Quarter of said Section 25, South 89 degrees 28 minutes 06 seconds East, 1323.07 feet to the point of beginning.

The above described tract of land is based upon an actual boundary survey completed by the Jones Surveying and Engineering Corporation, during the month of October, 2011, and recorded in the Office of the Recorder, Schuyler County, Illinois on November 18, 2011, as Document Number 20111426, and is subject to all road right-of-ways, easements of records and/or prescription, restrictions, reservations and conditions of record, if any.

TRACT II:

A tract of land being part of the Southwest Quarter of Section 25, and part of the Northwest Quarter of Section 36, Township 3 North, Range 4 West of the Fourth Principal Meridian, Schuyler County, Illinois, and being more particularly described as follows.

Beginning at a set iron rod marking the North Quarter corner of said Section 36; thence along the East line of the Northwest Quarter of said Section 36, South 01 degrees 26 minutes 12 seconds West, 1332.67 feet to a found stone marking the center North one-sixteenth corner of said Section 36; thence leaving said East line along the South line of the Northeast Quarter of the Northwest Quarter of said Section 36, South 89 degrees 53 minutes 59 seconds West, 1320.48 feet to a found stone marking the Northwest one-sixteenth corner of said Section 36; thence leaving said South line, along the West line of the Northeast Quarter of the Northwest Quarter of said Section 36, North 01 degrees 12 minutes 35 seconds East, 1345.60 feet to a set iron rod marking the West one-sixteenth corner of said Section 36; thence leaving said West line, along the West line of the Southeast Quarter of the Southwest Quarter of said Section 25, North 01 degrees 08 minutes 20 seconds East, 33.30 feet to a set iron rod marking the Southwest corner of land as described in a deed to Jeffrey Sapp, recorded in Document Number 272854 of the Schuyler County, Illinois, Recorder's Office; thence leaving said West line, along the South, East, and North lines of said Sapp land, the following courses and distances: South 89 degrees 32 minutes 08 seconds East, 200.00 feet to a set iron rod; thence North 01 degrees 08 minutes 20 seconds East, 340.00 feet to a set iron rod; thence North 89 degrees 32 minutes 08 seconds West, 200.00 feet to a set iron rod on the aforementioned west line of the Southeast Quarter of the Southwest Quarter of said Section

25; thence leaving said Sapp land, along said West line, North 01 degrees 08 minutes 20 seconds East, 944.20 feet to a set iron rod marking the West one-sixteenth corner of said Section 25; thence leaving said West line, along the North line of the Southeast Quarter of the Southwest Quarter of said Section 25, South 89 degrees 32 minutes 08 seconds East, 1324.32 feet to a set iron rod marking the center South one-sixteenth corner of said Section 25; thence leaving said North line, along the East line of the Southwest Quarter of said Section 25, South 01 degrees 05 minutes 12 seconds West, 1317.49 feet to the point of beginning.

The above described tract of land is based upon an actual boundary survey completed by the Jones Surveying and Engineering Corporation, during the month of October, 2011, and recorded in the Office of the Recorder of Schuyler County, Illinois on November 18, 2011, as Document Number 20111426, and is subject to all road right-of-ways, easements of records and/or prescription, restrictions, reservations and conditions of record, if any

PIN No. 02-022-013-00 & 02-031-002-00

EXHIBIT A

Legal Description - Copes

A tract of land being part of the Northwest Quarter of Section 1, Township 2 North, Range 2 West of the Fourth Principal Meridian, Schuyler County, Illinois, and being more particularly described as follows:

Beginning at the Southwest Corner of the Northwest Quarter of said Section 1, thence along the West Line of the Northwest Quarter of said Section 1, North 00 degrees 49 minutes 37 seconds East, a distance of 1917.94 feet to a point on the South Line of land as described in a deed to Harold J. Forman, as recorded in Book 19, Page 219 of the Schuyler County, Illinois Recorder's Office; thence leaving said West Line, along said South Line and along the East Line of said Forman Land South 89 degrees 47 minutes 20 seconds East, a distance of 820.63 feet to a point, and North 00 degrees 28 minutes 12 seconds East, a distance of 697.12 feet to a point on the North Line of the Northwest Quarter of said Section 1, thence along said North Line 88 degrees 46 minutes 16 seconds East, a distance of 1882.96 feet to the Northeast Corner of the Northwest Quarter of said Section 1, thence leaving said North Line, along the East Line of the Northwest Quarter of said Section 1, South 00 degrees 42 minutes 04 seconds West, a distance of 1244.62 feet to a point, thence leaving said East Line, the following courses and distances, South 89 degrees 36 minutes 03 seconds West, a distance of 293.33 feet to a point, thence South 00 degrees 43 minutes 14 seconds West, a distance of 413.82 feet to a point, thence North 83 degrees 44 minutes 35 seconds West, a distance of 104.41 feet to a point, thence South 27 degrees 50 minutes 00 seconds West, a distance of 117.33 feet to a point, thence North 89 degrees 23 minutes 45 seconds West, a distance of 266.21 feet to a point, thence South 00 degrees 42 minutes 49 seconds West, a distance of 688.31 feet to a point, thence North 63 degrees 54 minutes 09 seconds East, a distance of 393.77 feet to a point, thence South 85 degrees 09 minutes 46 seconds East, a distance of 125.91 feet to a point, thence North 90 degrees 00 minutes 00 seconds East, a distance of 240.16 feet to a point on the aforementioned East Line of the Northwest Quarter of said Section 1, thence along said East Line, South 00 degrees 42 minutes 04 seconds West, a distance of 376.64 feet to the Southeast corner of the Northwest Quarter of said Section 1, thence leaving said East Line, along the South Line of the Northwest Quarter of said Section 1, North 90 degrees 00 minutes 00 seconds West, a distance of 2704.10 feet to the point of beginning.

Subject to an easement for ingress and egress, said easement being Twenty (20) feet of even width off the East side of said Northwest Quarter (NW 1/4) of Section One (1), except the South 400 feet thereof. Said easement shall be perpetual and shall run with the land and shall be for the benefit of the following described real estate, to-wit: The Northeast Quarter (NE 1/4) of Section One (1), Township Two (2) North, Range Two (2) West, the South Half (S 1/2) of the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) of Section Thirty-six (36) and the Southeast Quarter (SE 1/4) of the Southwest Quarter (SW 1/4) of Section Thirty-six (36), Township Three (3) North, Range Two (2) West of the Fourth Principal Meridian, situated in Schuyler County, Illinois,

TOGETHER WITH an easement for ingress and egress to be perpetual and to run with the land and which is described as follows, to-wit: Twenty (20) feet of even width off the West side of the Northeast Quarter (NE 1/4) of Section One (1), except the South 400 feet thereof, in Township Two (2) North, Range Two (2) West of the Fourth Principal Meridian, situated in Schuyler County.

PIN No. 05-001-003-02

Patchett — Legal Description

Tract 1:

PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, AND PART OF THE NORTHWEST QUARTER, ALL IN SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, DESCRIBED AS BEGINNING IN THE CENTER OF THE CHERRY POINT WAGON ROAD AT ITS INTERSECTION WITH THE SOUTH LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26, THENCE WEST ALONG SAID CENTER LINE OF SAID SECTION, 633 FEET TO A STONE IN THE CENTER OF SAID SECTION 26, THENCE CONTINUING WEST ALONG SAID CENTER LINE OF SAID SECTION 26, 1302.5 FEET, THENCE NORTH 652.5 FEET, THENCE EAST 837 FEET, THENCE NORTH 601.4 FEET, TO THE CENTER OF SAID WAGON ROAD, THENCE SOUTHEASTERLY ALONG THE CENTER OF SAID WAGON ROAD 1663 FEET TO THE PLACE OF BEGINNING.

LOT NO. 7 IN THE PARTITION OF THE REAL ESTATE OF O'NEAL MORRIS, DECEASED, BEING PART OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, AS SHOWN BY THE COMMISSIONERS REPORT IN SAID PARTITION, RECORDED IN ORDER BOOK 41, PAGE 34 OF THE RECORDS OF EDGAR COUNTY, ILLINOIS CIRCUIT COURT. EXCEPTING THEREFROM THE FOLLOWING TWO TRACTS, NAMELY, 1A AND 1B:

1A: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT NO. 7; THENCE EAST ALONG THE NORTH LINE OF SAID LOT NO. 7, A DISTANCE OF 300 FEET; THENCE SOUTHWESTERLY TO A POINT IN THE WEST LINE OF SAID LOT NO. 7 BEING 300 FEET SOUTH OF THE NORTHWEST CORNER THEREOF; THENCE NORTH ALONG SAID WEST LINE 300 FEET TO THE PLACE OF BEGINNING.

1B: THE NORTH 12 FEET OF EVEN WIDTH OF SAID LOT NO. 7. Tract 2:

THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS. EXCEPTING THEREFROM THE FOLLOWING TWO TRACTS, NAMELY, 2A AND 2B:

2A: THE SOUTH 879.75 FEET OF EVEN WIDTH THEREOF.

2B: A PARCEL OF LAND BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A FOUND IRON PIN AT THE SOUTHWEST CORNER OF BLACKHAWK SUBDIVISION AS RECORDED IN PLAT BOOK 4, PAGE 194, SAID POINT BEING 1453.95 FEET SOUTH OF THE NORTHEAST CORNER OF

THE SOUTHWEST QUARTER OF SAID SECTION 26; THENCE SOUTH 85 DEGREES 43 MINUTES 00 SECONDS WEST, BEING THE WESTERLY EXTENSION OF THE SOUTH LINE OF SAID BLACKHAWK SUBDIVISION, A DISTANCE OF 51.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 87.00 FEET; THENCE NORTH 85 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 51.00 FEET TO THE WEST LINE OF BLACKHAWK SUBDIVISION ALSO BEING EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 26; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG SAID WEST LINE, A DISTANCE OF 87.00 FEET TO THE POINT OF BEGINNING, ACCORDING TO PLAT OF SURVEY MADE BY RICHARD A. KNIGHT, ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 2845, DATED DECEMBER 12, 2007 AND RECORDED DECEMBER 12, 2007 AS DOCUMENT NO. 200700003452.

Tract 3: THE SOUTH 879.75 FEET OF EVEN WIDTH OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS.

Tract 4:

ALL THAT PART OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, LYING WEST OF CHERRY POINT WAGON ROAD, EXCEPTING THEREFROM THE FOLLOWING SIX TRACTS, NAMELY, 4A, 4B, 4C, 4D, 4E AND 4F:

4A: A PART THEREOF DESCRIBED AS BEGINNING AT THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER, THENCE SOUTH 16 RODS, THENCE EAST 50 RODS TO THE CENTER OF SAID CHERRY POINT WAGON ROAD, THENCE NORTHWEST WITH THE CENTER OF SAID ROAD TO THE NORTH LINE OF SAID SOUTHEAST QUARTER, THENCE WEST 39 RODS 23 LINKS TO THE BEGINNING.

4B: ALL THAT PART OF THE SOUTHEAST QUARTER OF SAID SOUTHEAST QUARTER, AND ALL THAT PART OF THE EAST 24 RODS, 21 LINKS OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING SOUTH OF THE CENTER OF THE WAGON ROAD RUNNING EAST AND WEST THROUGH THE SOUTHEAST QUARTER.

4C: A PART OF THE SAID SOUTHEAST QUARTER DESCRIBED AS FOLLOWS: COMMENCING AT A STONE AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 26, MEASURE SOUTHERLY ALONG THE WEST LINE OF SAID QUARTER SECTION 265 FEET TO THE TRUE PLACE OF BEGINNING, THENCE DEFLECT 91 DEGREES 04 MINUTES LEFT 774.10 FEET TO THE CENTERLINE OF COUNTY HIGHWAY 13, THENCE DEFLECT RIGHT 62 DEGREES 15 MINUTES, 892.75 FEET ALONG CENTERLINE OF SAID COUNTY HIGHWAY, THENCE DEFLECT RIGHT 118 DEGREES 01 MINUTES, 385.80 FEET, THENCE DEFLECT LEFT 92 DEGREES 29 MINUTES, 354.20 FEET, THENCE DEFLECT RIGHT 89 DEGREE 00 MINUTES, 841.00 FEET THENCE DEFLECT RIGHT 94 DEGREES 17 MINUTES, 1189.60 FEET TO THE PLACE OF BEGINNING.

4D: LOTS NOS. 1, 2, 3, AND PARTS OF LOTS NOS. 4 AND 5, AND DEDICATED ROADWAYS AND EASEMENTS IN BLACKHAWK SUBDIVISION AS SHOWN PER PLAT OF SAID SUBDIVISION RECORDED AT PAGE 194 OF PLAT BOOK 4 IN THE OFFICE OF EDGAR COUNTY RECORDER WITH SAID TRACT MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A STONE AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, MEASURE ALONG THE WEST LINE OF SAID QUARTER SECTION ON AN ASSUMED BEARING OF SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST FOR 1,453.95 FEET TO AN IRON PIN SET IN CONCRETE, THENCE MEASURE NORTH 85 DEGREES 43 MINUTES 00 SECONDS EASTERLY 841 FEET TO AN IRON PIN SET IN CONCRETE AND THE TRUE POINT OF BEGINNING; THENCE MEASURE NORTH 89 DEGREES 12 MINUTES 00 SECONDS EAST MEASURE 494.60 FEET TO AN IRON PIN SET IN CONCRETE ON THE WEST RIGHT OF WAY LINE OF THE CHERRY POINT ROAD; THENCE NORTHERLY 29 DEGREES 07 MINUTES 30 SECONDS WEST ALONG SAID RIGHT OF WAY, 401.78 FEET TO AN IRON PIN SET IN CONCRETE, THENCE SOUTH 89 DEGREES 12 MINUTES 00 SECONDS WEST FOR A DISTANCE OF 319.45 FEET TO AN IRON PIN, THENCE SOUTH 03 DEGREES 17 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 354.00 FEET TO THE TRUE POINT OF BEGINNING.

4E: LOTS NOS. 16, 17, 18 AND 19 OF THE PLAT OF PRAIRIE'S EDGE SUBDIVISION, A SUBDIVISION OF A PART OF THE WEST HALF OF NORTHEAST QUARTER OF SECTION 35, AND A PART OF THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, AS SHOWN BY PLAT OF SURVEY MADE BY ROBERT L. MCCLINTOCK, ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1948, DATED JUNE 19, 2000 AND RECORDED IN THE RECORDS OF EDGAR COUNTY, ILLINOIS ON JULY 26, 2000 AS DOCUMENT NO. 00-0002405.

4F: BEGINNING AT THE NORTHEAST CORNER OF LOT 19 OF THE PLAT OF PRAIRIE'S EDGE SUBDIVISION, A SUBDIVISION OF A PART OF THE WEST HALF OF NORTHEAST QUARTER OF SECTION 35, AND A PART OF THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, AS SHOWN BY PLAT OF SURVEY MADE BY ROBERT L. MCCLINTOCK, ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1948, DATED JUNE 19, 2000 AND RECORDED IN THE RECORDS OF EDGAR COUNTY, ILLINOIS ON JULY 26, 2000 AS DOCUMENT NO. 00-0002405, THENCE EAST 12 FEET; THENCE SOUTH 197.99 FEET PARALLEL TO THE EAST LINE OF LOT 19 AS DESCRIBED HEREINABOVE; THENCE WEST 12 FEET TO THE SOUTHEAST CORNER OF SAID LOT 19; THENCE NORTH ALONG THE EAST LINE OF LOT 19 TO THE PLACE BEGINNING.

Tract 5:

THE NORTH 32 ACRES OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, EXCEPTING THEREFROM THE FOLLOWING THREE TRACTS, NAMELY, 5A, 5B AND 5C:

5A: THE EAST 24 RODS, 21 LINKS OF SAID 32 ACRE TRACT.

5B: THE SOUTH 12.31 FEET OF LOTS NOS. 16, 17, 18 AND 19 OF THE PLAT OF PRAIRIE'S EDGE SUBDIVISION, A SUBDIVISION OF A PART OF THE WEST HALF OF NORTHEAST QUARTER OF SECTION 35, AND A PART OF THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, AS SHOWN BY PLAT OF SURVEY MADE BY ROBERT L. MCCLINTOCK, ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1948, DATED JUNE 19, 2000 AND RECORDED IN THE RECORDS OF EDGAR COUNTY, ILLINOIS ON JULY 26, 2000 AS DOCUMENT NO. 00-0002405, TO THE EXTENT THAT SUCH LOTS EXTEND INTO SAID SECTION 35.

5C: BEGINNING AT THE NORTHEAST CORNER OF LOT 19 OF THE PLAT OF PRAIRIE'S EDGE SUBDIVISION, A SUBDIVISION OF A PART OF THE WEST HALF OF NORTHEAST QUARTER OF SECTION 35, AND A PART OF THE SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 14 NORTH, RANGE 12 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN EDGAR COUNTY, ILLINOIS, AS SHOWN BY PLAT OF SURVEY MADE BY ROBERT L. MCCLINTOCK, ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1948, DATED JUNE 19, 2000 AND RECORDED IN THE RECORDS OF EDGAR COUNTY, ILLINOIS ON JULY 26, 2000 AS DOCUMENT NO. 00-0002405, THENCE EAST 12 FEET; THENCE SOUTH 197.99 FEET PARALLEL TO THE EAST LINE OF LOT 19 AS DESCRIBED HEREINABOVE; THENCE WEST 12 FEET TO THE SOUTHEAST CORNER OF SAID LOT 19; THENCE NORTH ALONG THE EAST LINE OF LOT 19 TO THE PLACE BEGINNING.

PINs: 09-13-26-100-009, 09-13-26-200-004, 09-13-26-300-007, 09-13-26-300-004, 09-13-26-400-042, 09-13-26-400-043, 09-13-35-200-024, 09-13-35-200-025

EXHIBIT A
LINK DESCRIPTION

Matthews Legal Description

PARCEL I

The West Half (W 1/2) of Section-Thirty One (31), Township Three (3) South, Range Nine (9) West In DeSoto County, Mississippi, less and except the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Thirty-One (31), DeSoto County, Mississippi and LESS and Except a tract of land more particularly described by metes and bounds as 'elms, to colt:

BEGINNING at the Northeast corner of the Northwest Quarter (NW 1/4) of Section Thirty-One (31), Township three (3) South, Range Nine (9) West, and run thence South 0 degrees 0'. A distance of 5,375.1 feet, thence South 89 degrees 10' West a distance of 988.0 feet, thence North 41 degrees 10' West a distance of 368.4 feet, thence North 18 degrees 2' West a distance of 587.0 feet, thence North 22 degrees 50' West, a distance of 218.2 feet, thence North 6 degrees 40' West a distance of 170.4 feet, thence North 21 degrees 44' West, a distance of 245.4 feet, thence North 12 degrees 24' West, a distance of 1,126.1 feet, thence North 34 degrees 5' West a distance of 454.1 feet, thence North 31 degrees 41' West a distance of 347.6 feet, thence North 11 degrees 36' West a distance of 436.7 feet, thence North 23 degrees 41' West a distance of 1,138.2 feet, thence North 89 degrees 10' East a distance of 592.0 feet thence North 0 degrees 0' a distance of 660 feet, thence North 89 degrees 10' East a distance of 2,261.0 feet to the point of beginning.

PARCEL II

All of the South Half (S 1/2) of the South Half (S 1/2) of the Northwest Quarter (NW 1/2) East of Big Six Ditch, and all of that part of the Southwest Quarter (SW 1/4) North end East of Big Set Ditch, and all that part of the Southeast Quarter (SE 1/2) North and East of Big Six Ditch, and the South Half (S 1/2) of the South Half (S 1/2) of the Northeast Quarter (NE 1/4), all In Section Thirty-six (6), Township Three (3) South, Range Ten (10) West, in Tunica County, Mississippi.

PARCEL III

South Half (S 1/4) of North Half (N 1/4) end Northeast Quarter (NE 1/4) of southeast Quarter (SE 1/4) of Section Twenty (20), Township Four (4), Range Ten (10), Tunica County, Mississippi.

PARCEL IV

A tract of land situated In the Northeast 1/4 of Northwest 1/4, the Northwest 1/4 of the Northwest 1/4 the Southwest 1/4 of Northwest 1/4 and the Southeast 1/4 of the Northwest 1/4 of Section 33, Township 3 South, Range 10 West, Tunica County, Mississippi and more particularly described as follows:

Commencing from a found 1" iron pin representing the northeast corner of Section 33, Township 3 South, Range 10 West, Tunica County, Mississippi, thence South 89 degrees, 48 minutes, 19 seconds West along the north line of said Section 33 for 3218.67 feet to a point thence South 0, degrees, 00 minutes, 00 seconds East for 65.36 feet to a point at the intersection of the center of Bud Island Bayou and the southern prescriptive right of way line of Bowdre Road (said southern prescriptive right of way line is on the southern top bank of a roadside drainage ditch) and the Point of the Beginning of the track herein described thence

South 23 degrees, 11 minutes, 10 seconds West along the center of said center of Burt Island Bayou for 106.07 feet to a point; thence

South 44 degrees, 00 minutes, 07 seconds West and continuing along the center of said center of Buck Island Bayou for 276.26 feet to a point thence

South 0 degrees, 26 minutes 19 seconds West and continuing along the center of said center of Buck Island Bayou for 197.75 feet to a point thence

South 15 degrees, 59 minutes, 41 seconds East and continuing along the center of said center of Buck Island Bayou for 499.84 feet to a point; thence

South 27 degrees, 03 minutes, 03 seconds West and continuing along the center of said center of Buck Island Bayou for 480.90 feet to a point; thence

Continued PARCEL IV

South 10 degrees, 44 minutes, 12 seconds East and continuing along the center of said center of Buck Island Bayou for 780.34 feet to a point; thence

South 48 degrees, 08 minutes, 20 seconds East and continuing along the center of said center of Buck Island Bayou for 240.50 feet to a point; thence

South 5 degrees, 02 minutes, 16 seconds West and continuing along the center of said center of Buck Island Bayou for 361.80 feet to a point at the southeastern corner of the tract herein described; thence

North 89 degrees, 50 minutes, 39 seconds West along the south line of the Northwest $\frac{1}{4}$ of said Section 33 for 611.98 feet to a point in the eastern right of way line of Kirby Road (said eastern right of way line being 40 feet eastward of and parallel to the physical center of said Kirby Road); thence

In a northwesterly direction along the arc of a counter clockwise curve, having a radius of 1444.28 feet, a delta angle of 10 degrees, 11 minutes, 32 seconds, an arc length of 256.92 feet and a chord which bears North 29 degrees, 02 minutes, 04 seconds West for 256.58 feet to a point of tangency; thence

North 34 degrees, 07 minutes, 50 seconds West and continuing along the said eastern right of way line of Kirby Road for 1492.73 feet to a point of curvature; thence

In a northwesterly direction along the arc of a clockwise curve, having a radius of 2820.66 feet, a delta angle of 28 degrees, 06 minutes, 53 seconds, an arc length of 1384.08 feet and a chord which bears North 20 degrees, 04 minutes, 03 seconds West for 1370.24 feet to a point in the said southern prescriptive right of way line of Bowdre Road; thence

South 89 degrees, 27 minutes, 05 seconds East along the said southern prescriptive right of way and being generally along the southern top bank of the roadside drainage ditch 836.07 feet to the said point; thence

South 71 degrees, 30 minutes, 59 seconds East along the said southern prescriptive right of way line and being generally along the southern top bank of the roadside drainage ditch for 146.78 feet to a point; thence

South 89 degrees, 48 minutes, 04 seconds East along the said southern prescriptive right of way line and being generally along the southern top bank of the roadside drainage ditch for 1092.44 feet to the said "Point of Beginning", containing 81.10 acres, more or less.

Bearings in the above description have an origin of TRUE NORTH based on computations from solar observations.

That part of the Southeast Quarter (SE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section Thirty-three (33) lying East of Buck Island Bayou; and the Southwest Quarter (SW $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Thirty-three (33), Township Three (3) South, Range Ten (10) West, less $\frac{1}{4}$ acre conveyed to Trustees of Good Hope Baptist Church by dated July 19, 1917, recorded in Deed Book M-2 at page 501 and except tract conveyed to Tunica County, Mississippi for road purposes by the said John Henry by Instrument dated April 4, 1960, recorded In Deed Book 1-3 at page 206-A of said records all located in Tunica County, Mississippi.

PARCEL V

The South Half (S $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Four (4) in Township Four (4) South of Range Ten (10) West, Tunica County, Mississippi.

That part of the West Half (W $\frac{1}{2}$) of Section Four (4) lying East of Buck Island Bayou: the North Half (N $\frac{1}{2}$) Of the Northeast Quarter (NE $\frac{1}{4}$) of Section Four (4) the Northwest Quarter (NW $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{2}$) of Section Three (3) , all in Township Four (4) Range Ten (10) West; less two (2) acres conveyed So Trustees of Good Hope Church by deed dated May 29, 1945, recorded in Deed Stook B.3 at Page 311 of the record of said County; the East Half (E) of the Northwest Quarter (NW $\frac{1}{4}$) of Section Three (3), Township four (4), Range Ten (10) West Tunica county, Mississippi;

LESS AND EXCEPT: 9.3 ACRES, more or less, In said East Half (E $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{2}$) conveyed by John Henry to Tunica County for use as a highway right of way by deed dated June 19, 1958, recorded In Deed Book H-3 at Page 3748 of said records and also

Continued PARCEL V

LESS AND EXCEPT: all that part of the East Half (E $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{2}$) of Section Three (3), Township Four (4), Range Ten (10) West, situated east of the east right of way line of mississippi State Highway No. 3 less and except an undivided one-half interest in all oil, gas, and other minerals in, on or under said property reserved in the deed from Dr. John M. Maury to John Henry dated December 18, 1952, recorded in Deed Book F-3 at page 153 of the record in the office of Chancery Clerk of Tunica county, Mississippi,

EXHIBIT A

Swindoll Darby—Legal Description

EXHIBIT A - DARBY TRACT

Northwest Quarter (NW 1/4) of Southeast Quarter (SE 1/4) and Southwest Quarter (SW 1/4) of Northeast Quarter (NE 1/4) of Section Twenty-Six (26); all that part of the Northwest Quarter (NW 1/4) of Northeast Quarter (NE 1/4) of Section Twenty-Six (26) which lies south of the center line of the gravel road known as the Couch (or Bluff) Road in Township Three (3) South, Range Ten (10) West, containing 120 acres, more or less, and being the same land described in that certain Warranty Deed of record in Book E-3, page 78, of the deed records of Tunica County, Mississippi.

South Half (S 1/2) of Southeast Quarter (SE 1/4) of Northeast Quarter (NE 1/4) and the Northeast Quarter (NE 1/4) of Southeast Quarter (SE 1/4) of Section Twenty-Six (26), Township Three (3) South, Range Ten (10) West, containing 60 acres, more or less, reserving unto Ramsay-Austin Planting Company, Inc., its successors and assigns, an undivided one-half (1/2) interest in all of the oil, gas and minerals underneath the surface of said land and being the same land described in that certain Warranty Deed of record in Book G-3, page 316, of the deed records of Tunica County, Mississippi.

The North Half (N 1/2) of the Northwest Quarter (NW 1/4) and the Southeast Quarter

(SE 1/4) of the Northwest Quarter (NW 1/4) of Section Twenty-Five (25), Township Three (3) South, Range Ten (10) West, and being the same land described in that certain deed of record in Book I-3, page 470 of the deed records of Tunica County, Mississippi.

North Half (N 1/2) of Southeast Quarter (SE 1/4) of Northeast Quarter (NE 1/4) of

Section Twenty-Six (26) and all that part of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Twenty-Six (26) which lies South of the center line of the gravel road known as the Couch (or Bluff) Road, in Township Three (3) South, Range Ten (10) West, containing 60 acres, more or less, and being the same land described in that certain Warranty Deed of record in Book E3, page 385, of the deed records of Tunica County, Mississippi.

AND

A tract of land in the South Half (S 1/2) of the Northeast Quarter (NE 1/4) of Section Twenty-Five (25), Township Three (3), Range Ten (10) West, described as beginning at the Northwest corner of the South Half (S 1/2) of the Northeast Quarter (NE 1/4) of said Section, thence South 10 chains to the center of a slough, thence in a Northerly easterly direction along the center of said slough and meandering to a point in the North line of the South Half (S 1/2) of the Northeast Quarter (NE 1/4) of said Section, thence West 10 chains to the point of beginning, containing 4-1/2 acres, more or less, and being a part of the lands conveyed by John G. Allen, Guardian, to Howard Jordan by Warranty Deed dated September

17, 1953, recorded in Book F-3, page 361 of the records of Tunica County, Mississippi.

LESS AND EXCEPT

A tract of land in the Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4) of Section Twenty-Five (25), Township Three (3), Range Ten (10) West, described as beginning at the Southeast corner of

the Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4) of said Section, thence North 10 chains to the center of a slough, Thence in a Southwesterly direction along the center of said slough and meandering to a point in the South line of the Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4) of said Section, thence East a distance of 12 chains 45 feet to the point of beginning, containing 6 acres, more or less, and being a part of the land conveyed by Walkem Development Company, Inc., a Tennessee Corporation, to R.E. Darby, by Warranty Deed dated January 24, 1961,

recorded in Book 1-3, page 470, of the deed records of Tunica County, Mississippi.

SUBJECT TO PERPETUAL EASEMENT DEED FROM R.E. DARBY AND WIFE, LEONA O. DARBY, TO THE UNITED STATES OF AMERICA DATED OCTOBER 11, 1967, FILED FOR RECORD ON OCTOBER 11, 1967, AT 11:17 A.M. IN THE CHANCERY CLERK'S OFFICE OF TUNICA COUNTY, MISSISSIPPI IN DEED BOOK N-3, PAGE 434.

EXHIBIT A

Coopers Mill — Legal Description

TRACT 1: All of the woodland located on that certain tract of land, situate, in Mt. Clio

Township, Lee County, State of South Carolina, lying on the South side of Highway No. 34 leading from Manville to Wysacky. Said tract of land consists of Three Hundred Twenty Five

(325) acres, more or less, and being bounded and described as follows, to wit: On the North by Highway No. 34; on the East by Highway No. 44; on the South by lands of now or formerly of Archie Beattie, and on the West by the Run of Black River separating this property from the lands

of now or formerly the Estate of George McCutchen. It being intended by the deed to convey the grantee a interest in the woodland located on the above tract, which woodland consists of One Hundred Fifty (150) acres, more or less, of said total acreage of Three Hundred Twenty Five

(325) acres, more or less.

ALSO: All of the woodland located on that certain tract of land situate in Mt. Clio Township, County of Lee, State of South Carolina, lying on the North side of Highway No. 34 leading from Manville to Wysacky. Said tract of land consisting of Two Hundred Fifty (250) acres, more or

less, and being bounded and described as follows, to wit: On the North by lands now or formerly of Harrison Jackson and Ella Jackson and by lands of the Estate of Ruth; on the East by lands of

the Estate of Ruth and by a dirt road separating this tract from lands of grantor and by lot of New Zion A.M.E. Church; on the South by Highway 34 leading from Bishopville to Wysacky; and on

the West by the run of Black River which separates this tract from lands of the Estate of George McCutchen. It being intended by this Deed to convey to the grantee a interest in the woodland located on the above tract, which woodland consists of One Hundred Fifty (150) acres, more or

less, of said total acreage of Two Hundred Fifty (250) acres, more or less. ALSO:

All that certain piece, parcel or tract of land containing 406 acres, more or less, Mt. Clio Township, County of Lee, State of South Carolina and this being the same property conveyed to Harvie B. Abney and Caroline B. Stroman by the Estate of Harvie Hull Cooper (Estate Package 104-2699) and being the remainder of that tract containing 705 acres, more or less, after the conveyances as follows:

1. Deed of Harvie B. Abney and Caroline B. Bowen f/k/a Caroline B. Stroman to James Luckey, Robert Bradley, Jr., Solomon Bradley and Henry Carter, as Trustees of New Zion AME Church and their duly constituted successors in office by deed dated 2/13/1981 and recorded 3/2/1981 in the Office of the ROD for Lee County in Volume C-3 at page 322.
2. Deed of Harvey B. Abney and Caroline B. Stroman to Trustees of New Zion Church dated 6/8/1974 and recorded 7/8/1974 in the Office of the ROD for Lee County in Volume R-2 at page 237.
3. Deed of Harvie Hull Cooper to Caleb C. Whitaker, III by deed dated 6/30/1965 and recorded

6/30/1965 in the Office of the ROD for Lee County in Volume A-2 at page 348.

4. Deed of Harvie H. Cooper to Archie Beattie dated 6/10/1963 and recorded 6/10/1963 in the Office of the ROD for Lee County in Volume Y-1 at page 196.

5. Deed of Harvie H. Cooper to Archie Beattie dated 9/1/1956 and recorded 9/6/1956 in the Office of the ROD for Lee County in Volume S-1 at page 263.

6. Deed of Harvie H. Cooper to J. H. Scarborough dated 5/22/1948 and recorded 5/25/1948 in the Office of the ROD for Lee County in Volume L-1 at page 178.

Tax Map No. 045-00-00-034-000

TRACT 7: All that certain piece or tract of land situate, lying and being in Lee County, Mt. Clio Township, containing 125.96 acres, more or less, as shown on that certain Plat of Louis White Tisdale, R.L.S., dated June 1, 2005 and recorded in the Office of the Register of Deeds for Lee County in Plat Book L-1 at Page 146, and having such boundaries, metes, courses and distances as are shown on said plat, reference to which is hereby made pursuant to authority contained in 30-5-250 of the Code of Laws of South Carolina, 1976, as amended.

Lee County Tax Map No. 045-00-00-170-000

TRACT 8: All that certain piece or tract of land situate, lying and being in Lee County, Mt. Clio Township, containing 191.74 acres, more or less, as shown on that certain Plat of Louis White Tisdale, R.L.S., dated June 1, 2005 and recorded in the Office of the Register of Deeds for Lee County in Plat Book L-1 at Page 146, and having such boundaries, metes, courses and distances as are shown on said plat, reference to which is hereby made pursuant to authority contained in 30-5-250 of the Code of Laws of South Carolina, 1976, as amended.

Lee County Tax Map No. 045-00-00-041-000

This being the same property conveyed to James C. Justice, II by deed of Harvie B. Abney a/k/a Harvie Hull Beattie Abney and Caroline B. Bowen f/k/a Caroline B. Stroman a/k/a Ann Caroline Beattie Stroman dated August 29, 2011 and recorded in the Office of the Register of Deeds for Lee County on September 1, 2011 in Book 279 at Page 108.

Exhibit A
Legal Description

Harvin Legal Description

All that certain piece, parcel or tract of land, with any improvements thereon, situate, lying and being in the County of Richland, State of South Carolina, being shown and designated as "Tract 4 Area=143.85 Acres (Includes Area 1-B & 1-C-2)" on a plat prepared for FPI Properties LLC by Dangerfield Engineering and Surveying dated December 29, 2016, recorded in the Office of the Register of Deeds for Richland County in Record Book 2188 at Page 508, and having such boundaries and measurements as shown on the plat described herein, which is specifically incorporated herein by reference.

This being a portion of the same property conveyed to Gonzales Land and Timber, LLC by deed of Joseph B. Harvin, as Trustee of the Margaret Harvin Revocable Trust dated February 28, 2000, as amended dated July 7, 2016 and recorded July 15, 2016 in Record Book 2129 at Page 2425, Office of the Register of Deeds for Richland County.

Portion of TMS# 27500-03-04

Exhibit "A" Legal Description

Sellers Legal Description

All those certain pieces, parcels or tracts of land, together with any improvements located thereon, lying and being situate in the County of Dillon, State of South Carolina, containing in the aggregate 288.70 acres, more or less, and being shown and designated as Tracts "B" and "C" on a map of property surveyed for B. A. & Watson Huggins and Canal Industries, Inc., dated January 17, 1973, made by Ferrell J. Prosser, R.L.S., which map is duly recorded in the office of the Clerk of Court for Dillon County in **Plat Book 12 at Page 116**, and which map is specifically incorporated herein and reference is craved thereto for a more complete and accurate description of the metes, bounds, courses and distances of the property concerned herein. Said tracts of land being bounded, now or formerly, on the Northeast by lands of W. K. Bethea and Tract A on the aforesaid map, the centerline of a canal marked on said map from Point "A" to "B" being the line; on the East by Tract A on said map, the centerline of a canal being designated as between Points "B" and "C" on the aforescribed map being the line; on the Southeast by the right-of-way of the Seaboard Coast Line Railroad; on the Southwest by lands of Ben Page and Tract D on said map, a County Road being the line between Tracts C and D; on the Northwest by Tract D on said map; EXCEPTING, however, a lot of land lying on the Northeast side of the County Road dividing Tract C from Tract D on the aforesaid map, and which measures 36 feet, more or less, on its Northeastern boundary; 143 feet, more or less, on its Southeastern boundary; and 158 feet, more or less, on its Northwestern boundary, all as more fully shown on the aforesaid map and denoted thereon as "Mace Cemetery."

LESS AND ACCEPTING ALSO that certain parcel consisting of 9.03 acres, more or less, being shown and designated as "New Parcel" on that certain subdivision survey prepared for Charlie Baucom by Robert Bryan Pittman, P.L.S., dated May 15, 2015 and recorded in the office of the Clerk of Court for Dillon County in **Plat Book 46 at Page 161**. This being the same property heretofore conveyed unto Sellers SC Exchange, LLC by deed of Alan W. Gaddy dated August 27, 2015 and recorded on September 14, 2015 in **Book 571 at Page 234**, aforesaid records.

This property is shown on the Dillon County Assessor's records as tax parcel number 131-00-00-006, consisting of 273.27 acres, and on the Marion County Assessor's records as tax parcel number 001-00-00-011-000, consisting of 6.40 acres

This being the same property conveyed unto Bentwood Farms, LLC by deed of Alan W. Gaddy dated December 30, 2015 and recorded on January 7, 2016 in **Book 577 at Page 158**, Dillon County Clerk of Court; and January 13, 2016 in **Volume 329 at Page 25**, Marion County Clerk of Court.

AND ALSO, that certain parcel consisting of 9.03 acres, more or less, being shown and designated as "New Parcel" on that certain subdivision survey prepared for Charlie Baucom by Robert Bryan Pittman, P.L.S., dated May 15, 2015 and recorded in the office of the Clerk of Court for Dillon County in **Plat Book 46 at Page 161**.

This property is shown on the Dillon County Assessor's records as tax parcel number 131-00-00-026.

This being the same property conveyed unto Sellers SC Exchange, LLC by deed of Alan W. Gaddy dated August 27, 2015 and recorded on September 14, 2015 in **Book 571 at Page 234**, Dillon County Clerk of Court.

EXHIBIT A

Gaddy Gasque Legal Description

All that certain tract of land located in Dillon County, State of South Carolina, known or formerly known or referred to as "Paradise", containing Three and four tenths (3.4) acres, more or less, and being described as Dillon County Tax Map Number 145-00-00-015 and having such metes and bounds as thereon set forth. The property is located approximately one-half (1/2) mile North of S-17-313 and approximately One Thousand Four Hundred (1,400') feet West of U.S. Highway 301. This being a portion of 150 acres as shown on a plat prepared for Annie Grace Sellers Gaddy by C. O. Epps, R.L.S. and recorded in Plat Book 6, at Plat Page 145.

This being the same property of the remaining portion of 150 acres known as "Paradise" devised to Annie Grace Gaddy by and through the Last Will and Testament of Wallace D. Sellers dated November 21, 1946. Wallace D. Sellers having died a resident of a Dillon County on January 4, 1947 and whose estate was probated in the Probate Court for Dillon County in Box No. 423, Package No. 423.

TMS# 145-00-00-015

All that certain piece, parcel or tract of land, situate, lying and being in the County of Dillon and the County of Marion, State of South Carolina, containing 68.59 acres, and being shown as Tract Number 2 on a plat of Ben Page Lands, Near Sellers, SC, surveyed by Phillip B. Culbreth, PLS, dated April, 1996 and recorded in the Office of the Clerk of Court for Dillon County in Plat Book 27, at Page 78, and in the Office of the Clerk of Court for Marion County in Plat Book 41, at Page 112. Reference is made to said plat for a more complete and accurate description; be all measurements a little more or less.

This being the same property conveyed to John M. Gasque, Jr. and Eric S. Gasque by deed of Daniel A. Rainville dated December 20, 2012 and recorded in the Office of the Clerk of Court for Dillon County in Record Book 522, at Page 1; also recorded in the Office of the Clerk of Court for Marion County in Record Book 222, at Page 259.

Dillon TMS# 145-00-00-034 (61.09 acres)

Marion TMS# 001-00-00-012-000 (7.50 acres)

ALL THAT CERTAIN tract of land, located in Marion County, State of South Carolina, known as "Paradise Lands," containing Fifty-four and two-tenths (54.2) acres and being described as Marion County Tax Map Number 601-14-16-000-000 and having such metes and bounds as thereon set forth. This being a portion of a larger parcel of One Hundred Sixty-five (165) acres, more or less, and bounded now or formerly by lands of Leila Sellers, N.S. and W.B. Evans, Annie Sellers, and Atlantic Coast Line Railroad.

Derivation: This being the same property conveyed by W. Walker Gaddy ($\frac{1}{2}$ interest), Jerry F. Ard, Jr. ($\frac{1}{4}$ interest) and Anne Barboza ($\frac{1}{4}$ interest) dated April 26, 2005 and recorded May 3, 2005 in the Office of the Clerk of Court for Marion County in Record Book 530, at Page 85.

Jerry F. Ard, Jr. a/k/a Jerry Fore Ard, Jr. died on or about September 25, 2005, and was survived by his wife, Kelly Ard Smith, and his two (2) children, Jerry Fore Ard, III and Grace Miller Ard, who inherited a one-half ($\frac{1}{2}$), one-fourth ($\frac{1}{4}$), and one-fourth ($\frac{1}{4}$) interest, respectively, in Jerry F. Ard, Jr.'s interest in the property, pursuant to that certain Order issued by the Honorable T. Carroll Atkinson, III, Judge of Probate for Marion County, Case Number 2018-E-33-00113, dated and filed with said Probate Court August 29, 2018.

W. Walker Gaddy died intestate March 11, 2014 as evidenced by Richland County Probate Estate Case Number 2014 ES40 01454. An Ancillary Estate has been opened in Marion County.

TMS No.: **601-14-16-000-000**

Exhibit A

Bennettsville Legal Description

PARCEL #1: All that certain piece, parcel or tract of land lying and being situate in the County of Marlboro, State of South Carolina, containing 58 acres more or less, and being that portion of Tracts# 1 and #2 as shown on a plat of land property of Est. of W. H. Kirkwood made Oct. 7, 1944 by J. M. Jackson, Jr., C. E., and record in the office of the Clerk of Court for Marlboro County in Plat Book 9, Page 138, lying on the north-eastern side of South Carolina Highway #9 as shown on said plat. This is a portion of the lands conveyed by T. A. Kirkwood, et al, to W. S. Quick by deed dated October 11, 1944 and recorded in Deed Book 54 at page 252.

Tax Map No. 027-00-01-002

AND ALSO PARCEL #2: All that certain other tract of land known as the Fletcher Townsend Place containing Fifty Seven and 50/100 (57.50) acres, more or less, and being more particularly shown as Tract #2A on a plat entitled 'Map of the Stage Road Place Est. **J.A. W.** Moore made by **R. M. Evans**, R C.E. June 1925, which plat is duly recorded in Plat Book 6, (listed as Book 7 by error in prior deed), Page 48, in the office of the Clerk of Court for Marlboro County

Tax Map No. 027-00-01-001

AND ALSO PARCEL#3: All that certain piece, parcel or lot of land lying and being situate in the County of Marlboro, State of South Carolina and containing 1 03. 83 acres more or less being described on that certain plat entitled "Plat of Usher Tract, Est. of D.C Quick" made by John M. Jackson, III. P.L.S. dated April 20,2000 and filed in Plat Cabinet A. Slide 10, Page 1 in the office of the Clerk of Court for Marlboro County. For a more particular description as to metes and bounds, courses and distances, reference is craved to the aforementioned plat which is incorporated herein.

Tax Map No. 021-01-02-017

Tax ID Number 06-05S-15E-0094200.0000. (as to Parcel 3)

PARCEL 4:

PARCEL A:

THE EAST 1/2 OF THE NW 1/4 OF SECTION 31, TOWNSHIP 4 SOUTH, RANGE 15 EAST, ALSO A TWENTY (20) FOOT EASEMENT FOR INGRESS AND EGRESS ALONG THE WEST SIDE OF AN EXISTING POWER LINE EASEMENT LOCATED ALONG THE EAST BOUNDARY LINE OF THE NW 1/4 OF SECTION 31, TOWNSHIP 4 SOUTH, RANGE 15 EAST AS SET FORTH IN INSTRUMENT RECORDED IN DEED BOOK 94, PAGE 482, PUBLIC RECORDS OF SUWANNEE COUNTY, FLORIDA.

PARCEL B:

THE SW 1/4, SECTION 31, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA. LESS AND EXCEPT ROAD RIGHTS OF WAY AND SUBJECT TO UTILITY EASEMENTS.

Tax ID Number 31-04S-15E-0090400.0000. (as to Parcel 4)

PARCEL 5:

THE NORTHEAST QUARTER (NE 1/4) OF SECTION 36, TOWNSHIP 4 SOUTH, RANGE 14 EAST, SUWANNEE COUNTY, FLORIDA.

Tax ID Number 36-04S-14E-0328400.0000. (as to Parcel 5)

PARCEL 6:

THE SE 1/4 OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 14 EAST, SUWANNEE COUNTY, FLORIDA.

Tax ID Number 25-04S-14E-0320600.0000. (as to Parcel 6)

PARCEL 7:

THE EAST 1/2 OF SECTION 12, TOWNSHIP 5 SOUTH, RANGE 14 EAST, SUWANNEE COUNTY, FLORIDA.

Tax ID Number 12-05S-14E-0337000.0000. (as to Parcel 7)

PARCEL 9:

THE SW 1/4 OF SECTION 28, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA, LESS AND EXCEPT ANY EXISTING PUBLIC ROAD RIGHTS OF WAY, AND FURTHER LESS AND EXCEPT THAT PORTION CONVEYED IN O.R. BOOK 1501, PAGE 397.

Tax ID Number 28-04S-15E-0089300.0000. (as to Parcel 9)

PARCEL 10:

THE NW 1/4 OF SECTION 12, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA.

Tax ID Number 12-05S-14E-0337000.2000. (as to Parcel 10)

Ironwood Legal Description

EXHIBIT "A"

PARCEL 1:

THE SOUTHWEST 1/4 AND THE EAST 1/2 OF SECTION 30, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA.

Tax ID Number 30-04S-15E-0090200.0000. (Parcel 1)

PARCEL 2:

PARCEL A:

THE NORTH 25 FEET OF THE SE 1/4 LYING WEST OF COUNTY ROAD NO. C-137, SECTION 29, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA.

PARCEL B:

SW 1/4 OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA. PARCEL C: THE NORTH 1/2 OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA, LESS AND EXCEPT ROAD RIGHTS OF WAY.

Tax ID Number 29-04S-15E-0089900.0000. (Parcel 2)

PARCEL 3:

PARCEL A:

THE SW 1/4 OF THE SW 1/4 OF SECTION 6, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SUWANNEE COUNTY, FLORIDA.

PARCEL B:

TOWNSHIP 5 SOUTH, RANGE 15 EAST, SECTION 6 - THE EAST 1/2 OF THE SOUTHWEST 1/4, SUWANNEE COUNTY, FLORIDA.

TOGETHER WITH A NON-EXCLUSIVE PERPETUAL PRIVATE EASEMENT FOR PURPOSES OF INGRESS, EGRESS AND REGRESS OVER AND ACROSS THE SOUTH 30 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 6, TOWNSHIP 5 SOUTH, RANGE 15 EAST, WHICH SAID EASEMENT SHALL RUN WITH THE TITLE TO THE LANDS HEREIN CONVEYED.

PARCEL C:

THE NW 1/4 OF SECTION 6, TOWNSHIP 5 SOUTH, RANGE 15 EAST, LESS AND EXCEPT THE EAST 440.00 FEET OF THE NORTH 1,980.00 FEET THEREOF; AND LESS AND EXCEPT THE UNDIVIDED ONE-HALF (1/2) INTEREST IN AND TO ALL OF THE OIL, GAS AND OTHER MINERALS OF EVERY KIND AND CHARACTER IN, ON OR UNDER OR THAT MAY BE PRODUCED FROM THE LANDS, CONVEYED BY MINERAL RIGHTS AND ROYALTY TRANSFER DATED SEPTEMBER 4, 1944, AND RECORDED IN DEED BOOK 50, PAGES 231-232, PUBLIC RECORDS OF SUWANNEE COUNTY, FLORIDA.

EXHIBIT "A"

Roadrunner Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

PARCEL NO. 3 OF PARCEL MAP NO. 2669, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 27 PAGE 70 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION AS GRANTED TO THE STATE OF CALIFORNIA IN DEED RECORDED MARCH 22, 2002 AS INSTRUMENT NO. 2002-0021792 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM 50% OF ALL OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND. THE GRANTORS, HIS SUCCESSORS OR ASSIGNS, SHALL NOT HAVE ANY RIGHT TO USE THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET FOR THE PURPOSES EXPLORING OR DEVELOPING THE MINERAL RIGHTS RESERVED, AS RESERVED BY ADNA F. NEIL IN DEED RECORDED NOVEMBER 2, 1977 IN BOOK 3471 PAGE 158 OF OFFICIAL RECORDS.

PARCEL 2:

PARCEL NO. 1 OF PARCEL MAP NO. 2669, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 27 PAGE 70 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM 50% OF ALL OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND. THE GRANTORS HIS SUCCESSORS OR ASSIGNS SHALL NOT HAVE ANY RIGHT TO USE THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET FOR THE PURPOSES OF EXPLORING OR DEVELOPING THE MINERAL RIGHTS RESERVED AS RESERVED BY ADNA F. NEIL IN DEED RECORDED NOVEMBER 2, 1977 IN BOOK 3471 PAGE 158 OF OFFICIAL RECORDS.

APN: 115-150-013, 026

ATTACHMENT B
FORM OF CONVERTIBLE NOTE
[Attached]

THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”). THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT.

Convertible Promissory Note

No. CN-_____
US\$[PRINCIPAL AMOUNT]

Date of Issuance
[DATE], 2021

FOR VALUE RECEIVED, Promised Land Opportunity Zone Farms I, LLC, a Delaware limited liability company (the “**Company**”), hereby promises to pay to the order of [FPI Seller] (the “**Holder**”), the principal sum of US\$[PRINCIPAL AMOUNT], together with interest thereon from the date of this Note. Interest will accrue at a simple rate of 1.35% per annum, equal to the long-term annual Applicable Federal Rate on the Date of Issuance. Unless earlier converted into Membership Interests pursuant to Section 4 below, the principal and accrued interest of this Note will be due and payable on [TEN YEARS FROM ISSUANCE], 2031 (the “**Maturity Date**”).

This Note is one of a series of Notes issued pursuant to that certain Master Real Estate Purchase Agreement between the Company and Holder or its Affiliate, dated January [--], 2021. This Note is convertible into Membership Interests that are subject to the terms and conditions of the Company’s Amended & Restated Limited Liability Company Agreement dated December 29, 2020 (the “**Operating Agreement**”), and capitalized terms not defined herein will have the meanings set forth in the Operating Agreement.

1. **Payment.** All payments will be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company. Payment will be credited first to accrued interest due and payable, with any remainder applied to principal. Prepayment of principal, together with accrued interest, may be paid upon thirty (30) days advance written notice to the Holder, provided that Holder does not convert during such time period.

2. **Security.** This Note is a general unsecured obligation of the Company.

3. **Priority.** This Note is subordinated in right of payment to all current and future indebtedness of the Company for borrowed money (whether or not such indebtedness is secured) to banks, commercial finance lenders or other institutions regularly engaged in the business of lending money (the “**Senior Debt**”). The Company hereby agrees, and by accepting this Note, the Holder hereby acknowledges and agrees, that so long as any Senior Debt is outstanding, upon notice from the holders of such Senior Debt (the “**Senior Creditors**”) to the Company that an event of default, or any event which the giving of notice or the passage of time or both would constitute an event of default, has occurred under the terms of the Senior Debt (a “**Default Notice**”), the Company will not make, and the Holder will not receive or retain, any payment under this Note. Nothing in this paragraph will preclude or prohibit the Holder from receiving and retaining any payment hereunder unless and until the Holder has received a Default Notice (which will

be effective until waived in writing by the Senior Creditors) or from converting this Note or any amounts due hereunder into Membership Interests.

4. Conversion of the Notes. This Note and any amounts due hereunder may be converted into Membership Interests at the option of the Holder at any time on or before December 31, 2021, by providing written notice to the Company of such election. All amounts converted under this Note shall be treated as Additional Capital Contributions under Section 3.02 of the Operating Agreement, and shall be governed by the terms and conditions of the Operating Agreement.

5. Note Holder Rights. For so long as this Note remains outstanding, the Holder shall have any and all rights given to the Minority Member under the Operating Agreement, including, but not limited to, the Company actions that are set forth on Exhibit A.

6. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Note, the resolution of any controversy or claim arising out of or relating to this Note and the provision of notice among the Company and the Holder will be governed by the terms of the Operating Agreement.

7. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the respective successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Company. Any transfer of this Note may be effected only pursuant to the Operating Agreement and by surrender of this Note to the Company and reissuance of a new note to the transferee. The Holder and any subsequent holder of this Note receives this Note subject to the foregoing terms and conditions, and agrees to comply with the foregoing terms and conditions for the benefit of the Company.

8. Choice of Law. This Note, and all matters arising out of or relating to this Note, whether sounding in contract, tort, or statute will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Delaware.

PROMISED LAND OPPORTUNITY ZONE FARMS I, LLC

By: Last Leaf Ventures, LLC
Its: Manager

By: Servant Financial, Ltd.
Its: Manager

By: _____
John S. Heneghan, President

EXHIBIT A
APPROVAL RIGHTS

The following Company actions shall require the approval of the Holder:

- (i) amend, modify or waive the Certificate of Formation or the Operating Agreement (other than any amendment to Schedule A or Schedule A-1 that are necessary to reflect any new issuance, redemption, repurchase or Transfer of Membership Interests in accordance with the Operating Agreement);
- (ii) make any material change to the nature of the Business conducted by the Company or enter into any business other than the Business;
- (iii) initiate or consummate an initial public offering or make a public offering;
- (iv) issue additional Membership Interests and/or create and issue new series, types or classes of equity interests in the Company with such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof; *provided, however,* that the Company shall be able to issue additional Membership Interests to: (a) the Majority Member, an Affiliate of the Majority Member or an Affiliate of the Manager, including, but not limited to, one or more parallel investment vehicles of the Majority Member, without the approval of the Minority Member; and (b) third parties approved by the Minority Member in writing, with such consent not being unreasonably held;
- (v) issue obligations, evidences of indebtedness or other debt instruments that represent more than 60% of the Capital Account Value of all Members;
- (vi) appoint or remove the Company's Designated Individual or auditors or make any material changes in the accounting methods or policies of the Company (other than as required by GAAP);
- (vii) initiate a bankruptcy proceeding (or consent to any involuntary bankruptcy proceeding) involving the Company;
- (viii) change any compensation policies applicable to the Manager or enter into any material agreement with respect to employment, severance, consultancy or any similar agreement with the Manager;
- (ix) call capital for Expense Contributions in excess of \$75,000 in the aggregate per Fiscal Year;
- (x) initiate or settle any lawsuit, claim in arbitration and/or any other legal proceeding in excess of \$250,000;
- (xi) enter into or modify any contract with third parties in excess of \$250,000 unless otherwise provided for in the Budget or the applicable property development plan;

- (xii) amend any property development plan that will result in additional cost to the Company in excess of \$250,000;
- (xiii) dissolution of the Company pursuant to Section 12.01 of the Operating Agreement; and
- (xiv) release a Member from any material obligations or liabilities under the Operating Agreement or waive any material rights of the Company with respect thereto.

ATTACHMENT C
ADDITIONAL PROPERTY

Name	State	County	Total Acres	Option Purchase Price
Cheetah	CA	Tulare	478	\$ 20,554,000
Puma	CA	Madera	610	\$ 20,740,000
Andersons	CO	Washington	640	\$ 1,024,000
Bollwinkle	CO	Kit Carson	346	\$ 1,870,000
Buol	CO	Kit Carson	480	\$ 1,652,198
Burlington Feedlot	CO	Kit Carson	416	\$ 2,409,290
Carruthers	CO	Phillips	160	\$ 1,225,813
County Line	CO	Kit Carson	480	\$ 1,397,500
Cure	CO	Kit Carson	1,100	\$ 2,502,167
Deer Creek	CO	Phillips	343	\$ 2,035,470
Eibert & Johnson*	CO	Kit Carson	1,475	\$ 4,938,527
Erker Chute	CO	Kit Carson	320	\$ 1,263,063
Erker Wallace CO	CO	Kit Carson	251	\$ 424,649
Harrel 163	CO	Kit Carson	163	\$ 296,904
Harrel 640	CO	Kit Carson	640	\$ 1,187,615
Hitchcock 535*	CO	Kit Carson	535	\$ 1,322,788
Hitchcock 675*	CO	Kit Carson	675	\$ 2,039,429
Hoffner	CO	Yuma	320	\$ 2,032,858
Hudye Chute	CO	Kit Carson	460	\$ 862,957
Jacoby	CO	Yuma	160	\$ 1,143,856
James Ranch*	CO	Cheyenne	6,430	\$ 12,395,027
Korbelik	CO	Kit Carson	275	\$ 969,857
Kruse	CO	Alamosa	1,083	\$ 5,840,522
Liby CO	CO	Kit Carson	125	\$ 331,800
McArthur	CO	Kit Carson	201	\$ 684,000
Mershfelder*	CO	Cheyenne	250	\$ 950,465
Missel	CO	Kit Carson	1,261	\$ 2,591,500
Reimer	CO	Phillips	162	\$ 1,206,176
Rhoades	CO	Kit Carson	480	\$ 1,817,913
Schutte	CO	Kit Carson	900	\$ 2,195,270
Sutter	CO	Yuma	322	\$ 2,225,039
Timmerman	CO	Phillips	315	\$ 2,289,063
Temples	IL	Douglas	160	\$ 2,013,214
McFadden SC	IL	Schuylerville	34	\$ 438,600
Howey & Alexander*	NC	Pamlico	1,375	\$ 9,046,680
Cypress Bay	SC	Bamberg	502	\$ 4,016,000
Maidendown	SC	Marion	926	\$ 4,782,912
Unruh	SC	Lee	330	\$ 1,787,276
Totals			25,183	\$ 126,504,398

*Properties contain solar or wind developments

ATTACHMENT D

TITLE OBJECTIONS

Buyer hereby objects to the title to the Sellers/Gaddy/Gasque Sod Farms. Under the Farm Lease — Sellers/Gaddy/Gasque Sod Farms, dated as of January 1, 2020 (“Lease”), FPI Properties LLC, as Landlord, has granted Bentwood Farms LLC, as Tenant, an option to purchase the property, pursuant to Section 6 of the Lease. This does not appear on the title commitments heretofore provided, but would be an exception to title.

ATTACHMENT E
PROPERTY LOANS, LEASES, GOVERNMENTAL CONTRACTS AND OTHER CONTRACTS

Loans Name	State	County	Counterparty	Date of Agreement
Roberts Trust #514	IL	Douglas	MetLife (Loan #1)	3/29/2016
Beckerdite	IL	Schuylerville	MetLife (Loan #3)	4/14/2016
Copes	IL	Schuylerville	MetLife (Loan #3)	4/14/2016
Patchett	IL	Edgar Tuni. &	MetLife (Loan #1)	3/29/2016
Matthews	MS	Desoto	MetLife (Loan #4)	6/29/2016
Swindoll Darby	MS	Tunica	MetLife (Loan #10)	10/29/2020
Coopers Mill	SC	Lee	Rabo AgriFinance	12/15/2017
Harvin	SC	Richland	MetLife (Loan #7)	6/7/2017
Sellers Gaddy				
Gasque	SC	Dil. & Marion	MetLife (Loan #9)	6/5/2018
Bennettsville	SC	Marlboro	MetLife (Loan #10) Rutledge Investment Co. (Loan	10/29/2020
Roadrunner Ranch	CA	Tulare	#3)	8/18/2015
Ironwood	FL	Suwannee	MetLife (Loan #10)	10/29/2020
Farm Leases Name	State	County	Counterparty	Date of Agreement
Roberts Trust #514	IL	Douglas	Prairieland Farms	12/16/2019
Beckerdite	IL	Schuylerville	Bret Smith	12/16/2018
Copes	IL	Schuylerville	Dennis and Brian Billingsley	11/1/2020
Patchett	IL	Edgar Tuni. &	Steve Sunkel	12/16/2018
Matthews	MS	Desoto	James Allen Pegram III	12/16/2018
Swindoll Darby	MS	Tunica	T. E. Swindoll & Co.	pending
Coopers Mill	SC	Lee	Gonzales Land and Timber, LLC	pending
Harvin	SC	Richland	Gonzales Land and Timber, LLC	pending
Sellers Gaddy				
Gasque	SC	Dil. & Marion	Bentwood Farms, LLC	1/1/2020
Bennettsville	SC	Marlboro	Baucom Family Farms GP	12/16/2019
Roadrunner Ranch	CA	Tulare	M. B. Lending, Inc.	10/16/2017
Ironwood	FL	Suwannee	83 Farms, LLC	3/23/2018
Other Leases Name	State	County	Counterparty	Date of Agreement
Coopers Mill (Hunting)	SC	Lee	Wisacky Hunt Club	9/1/2018
Coopers Mill (Grain Bin)	SC	Lee	Gonzales Land and Timber, LLC	pending
Bennettsville (Hunting)	SC	Marlboro	Chad Poole	5/7/2020
Ironwood (Hunting)	FL	Suwannee	83 Farms, LLC	12/23/2020

ATTACHMENT F
ADDITIONAL PROPERTY CONDITIONS

1. Buyer's obligation to purchase Harvin, Swindoll Darby, and Coopers Mill, is subject to Buyer receiving an acceptable lease for the Property.
2. Buyer's obligation to purchase Sellers and Gaddy Gasque is subject to Buyer receiving an acceptable amendment to the existing lease to increase the purchase price option to reflect the costs of the anticipated improvements to the Property.
3. Buyer's obligation to purchase Ironwood is subject to Buyer and Seller agreeing upon an acceptable amendment related to the acquisition of such Property related to the use of the Property for solar power.

LOAN AGREEMENT

This agreement is dated as of October 29, 2020, and is between FPI CAROLINAS LLC, a Delaware limited liability company ("**Carolinas**"), FPI COLORADO LLC, a Delaware limited liability company ("**Colorado**"), COTTONWOOD VALLEY LAND, LLC, a Nebraska limited liability company ("**Cottonwood**"), PH FARMS LLC, an Illinois limited liability company ("**Farms**"), FPI IRONWOOD LLC, a Delaware limited liability company ("**Ironwood**"), and FPI PROPERTIES LLC, a Delaware limited liability company ("**Properties**"); and Carolinas, Colorado, Cottonwood, Farms, Ironwood and Properties are, individually and collectively, the "**Borrower**") and METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation ("**Lender**").

ARTICLE 1 – DEFINITIONS AND GENERAL CONSTRUCTION

Except as otherwise expressly provided herein, capitalized terms used in this agreement and its schedules and exhibits will have the respective meanings assigned to such terms in Appendix A to this agreement. Except as otherwise defined in this agreement, or unless the context otherwise requires, each term that is used in this agreement which is defined in Article 9 of the UCC is used as defined in Article 9 of the UCC. Unless expressly stated therein or the context otherwise requires, the Loan Documents will be interpreted in accordance with the Drafting Conventions.

ARTICLE 2 – THE LOAN

2.01 The Loan. Lender shall lend Borrower the principal sum of \$54,361,018.00 (the "**Loan**").

(a) The Loan will be evidenced by this agreement and the Promissory Note from Borrower to Lender dated as of the date of this agreement (the "**Note**").

(b) The Loan will be disbursed to or for the account of Borrower on the Closing Date.

2.02 Interest.

(a) Subject to the provisions of this Section, the unpaid principal balance of the Loan will bear interest from the Funding Date at the rate of 3.000% per annum (the "**Initial Rate**") fixed to October 1, 2023.

(b) Subject to Section, on October 1, 2023, October 1, 2026, and October 1, 2029 (each such date, a "**Rate Adjustment Date**"), the then applicable rate of interest on the Loan will be Adjusted to that rate of interest per annum agreed between Borrower and Lender in writing.

(c) If on the third Business Day prior to a Rate Adjustment Date, Borrower and Lender have not agreed to an Adjusted rate in writing, Lender may, at its option, Adjust the then applicable rate of interest on the Loan to any rate of interest per annum specified by Lender, consistent with rates quoted by Lender for substantially similar loans secured by real estate substantially similar to the Collateral, as determined by Lender.

(d) The rate agreed to between Borrower and Lender in accordance with Section or specified by Lender in accordance with Section as applicable, is herein referred to as the "**Adjusted Rate**". The unpaid principal balance of the Loan will bear interest from the Rate Adjustment Date at the Adjusted Rate, fixed to the earlier of the next Rate Adjustment Date or the Maturity Date (defined in Section), as the case may be.

(e) If any Adjusted Rate is determined by Lender pursuant to Section, then on or prior to the applicable Rate Adjustment Date, Lender shall notify Borrower of such Adjusted Rate (a "**Notice of Rate Adjustment**", and the Initial Rate, and, if applicable, the Adjusted Rate, the "**Contract Rate**").

(f) Notwithstanding anything herein to the contrary, all Adjusted Rates will be no less than 3.000% per annum.

2.03 Scheduled Repayment.

(a) Accrued interest on the Loan shall be paid on April 1, 2021 and on the first day of each October and April thereafter to the Maturity Date (each such date, a "**Regular Payment Date**").

(b) The unpaid principal balance of the Loan, accrued interest thereon, and any other outstanding Obligations, shall be paid on October 22, 2030 (the "**Maturity Date**").

2.04 Prepayments.

(a) The Loan, subject to the terms and provisions of this Section may be Prepaid only as follows:

(i) During each calendar year, Borrower may make one or more Prepayments each in an amount not to exceed: (A) 50% of the original principal amount of the Loan; minus (B) the sum total of all principal payments of the Loan previously received by Lender during the calendar year in which the Prepayment occurs.

(ii) Borrower may make a Prepayment equal to the entire unpaid principal balance of the Loan (A) during the 75 day period immediately following any Notice of Rate Adjustment or (B) during the 30 day period immediately preceding the Maturity Date.

(iii) Prepayments of any portion of the Loan other than at a time, or in excess of the amount, permitted in Section and Section may be made only if Borrower also pays to Lender the Prepayment Premium (defined in Section). For the avoidance of doubt, Prepayments permitted in Section and Section shall not be subject to any prepayment premium or penalty, including the Prepayment Premium.

(b) All Prepayments are subject to the following:

(i) Prepayments must, at the option of Lender, be accompanied by all unpaid accrued interest on the Prepayment and all other amounts then due under this agreement.

(ii) If Lender receives any Prepayment which is not permitted under this agreement, Lender may accept the Prepayment; except that Lender may, as a condition of acceptance, require the payment of interest which would accrue on the amount Prepaid to the date when Lender would be obligated to accept the Prepayment, or the date the principal amount Prepaid would be due under this agreement, whichever is earlier.

(c) For purposes of this agreement, "**Prepayment Premium**" means the Yield Maintenance Amount (defined in Appendix A), calculated using a reinvestment spread equal to 100 basis points (the "**Reinvestment Spread**"), and a yield maintenance minimum amount equal to 1.000% of that portion of the Prepayment not permitted under this agreement (the "**Yield Maintenance Minimum Amount**").

2.05 Default Rate. If there is an Event of Default, then subject to the provisions of Section, the principal balance of the Loan and to the extent permitted by Applicable Law, all other Obligations, will at the option of Lender, from the day of the Event of Default, bear interest at that rate which is the lesser of (a) 8.00% per annum, or (b) 5.00% per annum over the applicable Contract Rate, and if no Contract Rate is applicable, 8.00% per annum (the "**Default Rate**"). Interest payable at the Default Rate shall be paid from time to time on demand, or if not sooner demanded, on the first day of each month. The provisions of this section may result in compounding of interest. The imposition and receipt of a Default Rate will not waive Lender's other rights with respect to an Event of Default.

2.06 Prohibited Transfer Rate. If there is a Prohibited Transfer, Lender may, at Lender's option, without limitation to any other rights or remedies available to Lender upon an Event of Default, deem that the principal balance of the Loan and, to the extent permitted by Applicable Law, all other Obligations, will bear interest at the Contract Rate plus 2.00% per annum (the "**Prohibited Transfer Rate**"), retroactive to the date of the

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Prohibited Transfer (without regard to the date that the Prohibited Transfer is discovered by Lender) to the Maturity Date, and Borrower shall pay to Lender, upon demand, the difference between the amount of interest calculated at the Contract Rate in effect at the time of the Prohibited Transfer and the amount of interest calculated at the Prohibited Transfer Rate from the date of the Prohibited Transfer to the date payment is received by Lender (that amount, the "**Prohibited Transfer Rate Adjustment Amount**"). Lender's rights under this Section are an option available to Lender. Lender may at any time after a Prohibited Transfer, and notwithstanding Lender's prior election that all Obligations will bear interest at the Prohibited Transfer Rate, elect to declare the Prohibited Transfer an Event of Default and all Obligations will, after declaration of an Event of Default bear interest at the Default Rate.

2.07 Maximum Rate. Notwithstanding any provision of this agreement to the contrary: (1) no interest will be due on any amount due under this agreement if, under Applicable Law, Lender is not permitted to charge interest on that amount; and (2) in all other cases interest due under this agreement will be calculated at a rate not to exceed the Maximum Rate. If Borrower is requested by Lender to pay interest on any amount due under this agreement at a rate greater than the Maximum Rate, the amount of interest due on that amount will be deemed the Maximum Rate and all payments in excess of the Maximum Rate will be deemed to have been Prepayments without prepayment fee or penalty, and not interest. All amounts other than interest which are charged, reserved, paid or agreed to be paid to Lender for the use, forbearance, or detention of Borrower's indebtedness to Lender under this agreement will, to the extent permitted by Applicable Law, be amortized over the full stated term of the indebtedness, so that the rate of interest on account of that indebtedness does not exceed the Maximum Rate for so long as the indebtedness is outstanding.

2.08 Computation of Interest. All computations of accrued interest due under the Loan Documents will be made on the basis of a 360 day year comprised of 12 months of 30 days each.

2.09 Method and Application of Payments. All payments of principal, interest, and other amounts to be made under the Loan Documents shall be made to Lender in U.S. dollars and in immediately available funds, without set-off, deduction, or counterclaim, not later than 2:00 PM, Chicago, Illinois time, on the dates on which those payments will become due (any of those payments made after the time on the due date will be deemed to have been made on the next succeeding Business Day). All payments received by Lender (including, to the extent permitted by Applicable Law, all proceeds received from the sale or other liquidation of the Collateral) will be applied to the Obligations in any order determined by Lender. At the option of Lender, the early or late date of making a regularly scheduled payment will be disregarded for purposes of allocating the payment between principal and interest. For this purpose, the payment will be treated as though made on the date due. In any legal action or proceeding, the entries made by Lender in accordance with its usual practice and evidencing the Obligations, will be *prima facie* evidence of the existence and amounts of those Obligations.

2.10 Payments on a Non-Business Day. Whenever any payment under any Loan Document is stated to be due on a day that is not a Business Day, that payment may be made on the next succeeding Business Day, and that extension of time will in that case be included in the computation of the payment of interest and fees, as the case may be.

ARTICLE 3 - COLLATERAL

3.01 Collateral. The payment and performance of the Obligations are secured by all Liens in favor of Lender created under:

- (1) Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing from Colorado, as grantor, for the benefit of Lender to be recorded in the official real estate records of St. Francis County, Arkansas;
- (2) Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing from Colorado, as grantor, to and in favor of The Public Trustee of Yuma County, Colorado, as trustee, for the benefit of Lender to be recorded in the official real estate records for Yuma County, Colorado;

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- (3) Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing from Colorado, as grantor, to and in favor of The Public Trustee of Phillips County, Colorado, as trustee, for the benefit of Lender to be recorded in the official real estate records for Phillips County, Colorado;
- (4) Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing from Ironwood, as grantor, for the benefit of Lender to be recorded in the Public Records of Suwannee County, Florida;
- (5) Deed to Secure Debt, Assignment of Rents, Security Agreement, and Fixture Filing from Properties, as grantor, for the benefit of Lender to be recorded in the records of the Superior Court of Johnson County, Georgia;
- (6) Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing from Farms, as grantor, for the benefit of Lender to be recorded in the mortgage records of Mercer County, Illinois;
- (7) Deed of Trust, Assignment of Rents ,Security Agreement, and Fixture Filing from Properties, as grantor, for the benefit of Lender to be recorded in the Office of the Chancery Clerk for Panola County, Mississippi;
- (8) Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing from Colorado, as grantor, for the benefit of Lender to be recorded in the Office of the Chancery Clerk for Tunica County, Mississippi;
- (9) Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing from Cottonwood, as grantor, for the benefit of Lender to be recorded in the Office of the County Clerk for Chase County, Nebraska;
- (10) Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing from Carolinas, as grantor, for the benefit of Lender to be recorded with the official real estate records for Beaufort, Currituck, Pamlico, Pasquotank and Perquimans Counties, North Carolina;
- (11) Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing from Properties, as grantor, for the benefit of Lender to be recorded in the Office of the Clerk of Court for Lee County, South Carolina;
- (12) Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing from Carolinas, as grantor, for the benefit of Lender to be recorded in the Office of the Clerk of Court for Marlboro County, South Carolina; and
- (13) Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing from Carolinas, as grantor, for the benefit of Lender to be recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia land records (the mortgages, deeds of trust and deed to secure debt described in clauses through immediately above are individually and collectively, the "**Security Instruments**"; and the parcels and tracts of "Land" as that term is defined in the Security Instruments, individually and collectively, the "**Mortgaged Land**");
- (14) any other written instrument or agreement stating expressly that it secures the Obligations (together with the Security Instruments, the "**Collateral Documents**").

3.02 Inspections. Subject to the rights of tenants known to Lender, if any, Borrower shall permit Lender or any of its agents or representatives to at any reasonable time and from time to time, following reasonable prior notification by Lender. (1) inspect all or any portion of the Collateral to confirm compliance with the terms and conditions of the Loan Documents or for purposes of any appraisal of the Collateral required by Lender; (2) conduct tests on any part of the Collateral required by Lender, which may include taking and removing soil or groundwater samples; and (3) examine and make copies of and abstracts from the records and books of Borrower. Lender may discuss the affairs, finances, and accounts of Borrower with officers, directors, partners, or managers of Borrower, as applicable; Borrower's independent accountants; and any other Person dealing with Borrower. Notwithstanding the foregoing terms of this Section , with respect to any Borrower financial reporting required under SEC rules applicable to Borrower, such reporting and the records and books of Borrower related thereto will not be made available as otherwise required hereunder prior to the time required by such SEC rules.

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3.03 Releases and/or Substitution of Collateral.

(a) Borrower may, from time to time whenever the Loan to Value Ratio (defined in Section) is not greater than 50%, request the release of one or more portions of the Mortgaged Land from the lien of the Security Instruments (a "Partial Release").

(b) Borrower may also, from time to time, request that Lender accept additional property owned by Borrower or an Affiliate of Borrower satisfactory to Lender ("Substitute Collateral") as substitute Collateral for the Loan in exchange for the release of all or a portion of the Mortgaged Land and other Property currently encumbered by the Security instruments from the lien created by the Security Instruments (a "Collateral Substitution"); and any Partial Release and any Collateral Substitution are individually and collectively, a "Collateral Change").

(c) Substitute Collateral may be comprised of agricultural real estate and associated property owned by Borrower ("Additional Mortgaged Land") or cash collateral ("Cash Collateral").

(d) Lender's acceptance of Cash Collateral is subject to Section and the following conditions precedent:

- (1) the Cash Collateral is comprised of cash held in a demand deposit or other account satisfactory to Lender in a national bank or other financial institution satisfactory to Lender (the "Cash Collateral Account") in which Lender holds a perfected, first priority security interest;
- (2) the Cash Collateral Account is subject to a security agreement and control agreement with the financial institution where it is located, each in form and substance satisfactory to Lender; and
- (3) such other documentation and requirements as required by Lender.

(e) A Partial Release and/or Collateral Substitution are subject to Section and the following conditions precedent:

- (1) Lender has received all surveys, evidence of tax parcel separation, updated appraisals, plats, environmental questionnaires, and all other due diligence documentation (collectively, "Supporting Data") required by Lender;
- (2) Lender' satisfactory completion of its review of the Supporting Data and other due diligence with respect to the Additional Mortgaged Land;
- (3) the parcels of Mortgaged Land to be released from the lien of the Security Instruments (the "Released Mortgaged Land"), all remaining parcels of the Mortgaged Land not comprising Released land (the "Remaining Mortgaged Land"), and all parcels of land to be encumbered by the Security Instruments thereby becoming a part of the Mortgaged Land (the "Additional Mortgaged Land") must be recognized by all Governmental Authorities with jurisdiction over them as legally saleable parcels and otherwise comply with Applicable Law;
- (4) the Partial Release must not adversely affect the Remaining Mortgaged Land and associated Property's Market Value, sources and amount of water available, legal and physical access, drainage, marketability or other characteristics of the Remaining Mortgaged Land and associated Property deemed by Lender to be material;
- (5) the Remaining Mortgaged Land and any Additional Mortgaged Land must (A) have legal and physical access to a public road; (B) be fully operational without the Released Mortgaged Land; (C) not rely upon the Released Mortgaged Land as a source of water or utility service, and must not otherwise be required for the use of the Released Mortgaged Land for its current uses; (D) remain in full compliance with all Applicable Laws, including, without limitation, laws relating to subdivision of real estate and any

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applicable health, safety, environmental, zoning and building codes or regulations; (E) must constitute a separate tax parcel or parcels (or a separate tax parcel must be created as part of the Collateral Change) and (F) not be impaired by the release of the Released Mortgaged Land where such impairment is reasonably likely to have a Material Adverse Effect thereon as security for the Loan, as determined by Lender;

- (6) Lender has received evidence of leases under which the Additional Mortgaged Land is leased to third parties under lease agreements reasonably acceptable to Lender (the "**Additional Mortgaged Land Leases**");
- (7) except as otherwise approved by Lender, Lender has received evidence reasonably satisfactory to Lender, that all Additional Mortgaged Land Leases with a term ending more than one year after the date of the recording of the Additional Mortgaged Land Security Instrument, will be subordinate to the mortgage lien created under the Additional Mortgaged Land Security Instrument;
- (8) Lender has received evidence reasonably satisfactory to Lender, that all policies of insurance required under the Loan Documents with respect to the Additional Mortgaged Land are in full force and effect and all premiums for those policies have been paid through the date required by Lender;
- (9) Borrower must execute and deliver any amendments and modifications to the Loan Documents and/or new Security Instruments (individually and collectively, "**Additional Mortgaged Land Security Instruments**") covering the Remaining Mortgaged Land and any Additional Mortgaged Land required by Lender for purposes of the Collateral Change, in form and substance satisfactory to Lender, including in the case of Additional Mortgaged Land owned by an Affiliate of Borrower, an assumption agreement whereby such Affiliate assumes joint and several liability for the Obligations;
- (10) Lender has received all information necessary to complete all Patriot Act due diligence, if any required of Lender;
- (11) Lender has received a fully completed executed form of Lender's standard Environmental Questionnaire; and based on such questionnaire and any other information available to Lender, the Additional Mortgaged Land meets all current environmental standards and qualifications of Lender;
- (12) without limitation of the foregoing, Borrower must execute and deliver to Lender an unsecured indemnity agreement with respect to any Additional Mortgaged Land, in form and substance substantially similar to the Environmental Indemnity Agreement;
- (13) Lender must receive endorsements to Lender's Title Policy on the Remaining Mortgaged Land, and/or a new Lender's policy of title insurance and endorsements (including, if applicable an ALTA Form 12-06 Aggregation Endorsements for each Lender's Title Policy), each in form and substance satisfactory to Lender, insuring that following the Collateral Change, the Security Instruments will constitute a first lien on the Remaining Mortgaged Land and any Additional Mortgaged Land, subject only to those exceptions to title approved by Lender;
- (14) Lender has received an opinion of Borrower's counsel as to the Borrower's existence, due authorization and execution of the Additional Mortgaged Land Security Instrument and all other instruments and agreements delivered by Borrower and Guarantor in connection with the Additional Mortgaged Land, and the enforceability of the Additional Mortgaged Land Security Instrument and such other instruments and agreements in accordance with their terms, subject however to customary and reasonable assumptions, conditions and qualifications;
- (15) Borrower must make any prepayment of the unpaid principal balance of the Loan in an amount determined by Lender (a "**Required Collateral Change Prepayment**"); and

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- (16) any Additional Mortgaged Land must be otherwise satisfactory to Lender, in its sole discretion.
 - (f) All Collateral Changes are subject to satisfaction of all of the following conditions precedent:
 - (1) there exists no Event of Default which is continuing or event or circumstance which, with the giving of notice or passage of time would constitute an Event of Default;
 - (2) no sooner than 45 days prior to the effective date of the Collateral Change, Lender has received from Borrower a request for the Collateral Change;
 - (3) there has been no material adverse change in the Market Value of the Remaining Mortgaged Land;
 - (4) since the Funding Date of the Loan, there has been no material adverse change in any Borrower's or Guarantor's legal status or financial condition;
 - (5) Borrower shall make a Prepayment in an amount determined by Lender, if any, which must be accompanied by any Prepayment Premium required under the provisions of Section ;
 - (6) the Loan to Value Ratio after giving pro forma effect to the Collateral Change (including any required Prepayment), is not greater than 50%;
 - (7) Borrower must pay or reimburse Lender for all of Lender's Expenses related to the Collateral Change, including without limitation, any title insurance and recording costs and appraisal fees;
 - (8) Borrower shall pay Lender a service charge in an amount determined by Lender for processing the Collateral Change Request; and
 - (9) the Collateral Change must receive Lender's final approval, in its sole discretion.
 - (g) Lender will advise Borrower of the cost of fee appraisal if required in connection with Collateral Substitution.
 - (h) Borrower may request a 1031 exchange, and in connection with such exchange, Lender may require Borrower to post a letter of credit as additional collateral during the exchange period, not to exceed 270 days. If required, the letter of credit shall be in such amount and in such form as is satisfactory to Lender, at the time of request.

ARTICLE 4 - GUARANTY

The Obligations are guaranteed by FARMLAND PARTNERS OPERATING PARTNERSHIP, LP, a Delaware limited partnership ("FP OP") and FARMLAND PARTNERS INC., a Maryland corporation ("FP Inc."); and FP OP and FP Inc. are individually and collectively, "Guarantor") under the terms and conditions of their respective Guaranty dated as of the date of this agreement (the guaranties from FP OP and FP Inc. are individually and collectively, the "Guaranty").

ARTICLE 5- BORROWER REPRESENTATIONS

5.01 Representations. Borrower represents and warrants to Lender that:

- (1) Each Borrower has complied with all Applicable Laws concerning its organization, existence and the transaction of its business, and is in existence and good standing in its state of organization and each state in which it conducts its business, except where the failure to so be in good standing in any such state would not, in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to the Real Estate Collateral or other real or personal property of such Borrower, or as to the Borrowers taken as a whole;
- (2) the execution, delivery and performance by Borrower of each Loan Document to which it is a Party, is within the power and authority of Borrower and has been duly authorized;

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- (3) to Borrower's knowledge, the Loan Documents do not conflict with any Applicable Law;
- (4) each Loan Document to which Borrower is a Party is a legal, valid and binding agreement of Borrower, enforceable against Borrower in accordance with its terms, and any instrument or agreement required thereunder, when executed and delivered to Lender, will be similarly legal, valid, binding and enforceable; subject, in each case, to (i) applicable bankruptcy, reorganization, insolvency, moratorium and other laws of general applicability relating to or affecting creditors' rights generally, and (ii) the application of general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law;
- (5) to Borrower's knowledge, all financial statements and other reports, documents, instruments, information and forms of evidence concerning Borrower, Guarantor, the Collateral, or any other fact or circumstance (the "**Financial Information**"), delivered to Lender in writing in connection with this agreement, are accurate, correct and sufficiently complete in all material respects to provide Lender true and accurate knowledge of their subject matter, including, without limitation, all material contingent liabilities;
- (6) to Borrower's knowledge, there has been no Material Adverse Effect as to the Borrowers taken as a whole, since the effective date of the Financial Information provided to Lender;
- (7) to Borrower's knowledge, no individual Borrower is the subject of any Judgment; and there is no lawsuit, tax claim or other dispute pending or to Borrower's knowledge threatened against any individual Borrower or the Collateral that, if determined adverse to such individual Borrower, is reasonably likely to have a Material Adverse Effect with respect to the real or personal property of such individual Borrower or as to the Borrowers taken as a whole;
- (8) the Loan Documents do not conflict with, nor is Borrower in default under any agreement or arrangement in effect providing for or relating to extensions of credit in respect of which Borrower is in any manner directly or contingently obligated;
- (9) Borrower has filed all tax returns (federal, state, and local) required to be filed by Borrower and has paid all taxes, assessments, and governmental charges and levies thereon, including interest and penalties, except for any such amounts that are being contested in good faith by appropriate proceedings and for which Adequate Reserves have been set aside for the payment thereof.
- (10) to Borrower's knowledge, Borrower is in compliance with all Applicable Laws (including all Environmental Laws), and there is no claim, action, proceeding or investigation pending or to Borrower's knowledge threatened against Borrower with respect to a violation of Applicable Law by Borrower;
- (11) to Borrower's knowledge, no partner of Borrower, if Borrower is a partnership; no member of Borrower, if Borrower is a limited liability company; or no stockholder of Borrower, if Borrower is a corporation (other than a corporation listed on a recognized, national stock exchange), is an officer or director of Lender or is a relative of an officer or director of Lender within the following categories: a son, daughter, or descendant of either; a stepson, stepdaughter, stepfather, stepmother; father, mother, or ancestor of either; or a spouse. It is expressly understood that for the purpose of determining any of the foregoing relationships, a legally adopted child of a person is considered a child of such person by blood;
- (12) (A) Borrower is acting on its own behalf and that it is not an employee benefit plan as defined in Section 3(3) of ERISA, which is subject to Title 1 of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to individually and collectively as a "Plan"); (B) Borrower's assets do not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation Section 2510.3-101; and (C) Borrower will not be reconstituted as a Plan or as an entity whose assets constitute "plan assets";

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- (13) Borrower, any partner, member or stockholder of Borrower, or any direct or indirect owner of any interest in Borrower (not including stockholders in a corporation listed on a recognized, national stock exchange) is not and shall not become a "foreign person" under the International Investment and Trade in Services Survey Act, the Agricultural Foreign Investment Disclosure Act of 1978, the Foreign Investments in Real Property Tax Act of 1980, the amendments of such Acts or regulations promulgated pursuant to such Acts; and

- (14) to Borrower's knowledge, there is no Event of Default or event which, with notice or lapse of time would be an Event of Default.

5.02 Information Accurate and Complete. Unless Borrower expressly states otherwise in writing at the time of the submission, Borrower's submission in writing of any report, record or other information pertaining to the condition or operations, financial or otherwise, of Borrower, from time to time, whether or not required under this agreement, will be deemed accompanied by a representation by Borrower that, to Borrower's knowledge, the written report, record or information is complete and accurate in all material respects as to the condition or operations of Borrower (and, if applicable, Borrower's Subsidiaries, Affiliates, partners, shareholders, members, or other principals), including, without limitation, all material contingent liabilities.

ARTICLE 6 – BORROWER COVENANTS

Until such time as all Obligations have been paid in full:

6.01 Loan To Value.

(a) Borrower shall maintain a Loan to Value Ratio no greater than 60%, measured as of June 29, 2021, and June 29 of each year thereafter to the Maturity Date (this requirement, the "**Loan to Value Covenant**").

(b) Lender shall promptly notify Borrower of any violation of the Loan to Value Covenant, along with a table of Market Values of the various parcels of Mortgaged Land utilized by Lender for purposes of calculating the Loan to Value Ratio.

(c) Within ten Business Days following Borrower's receipt of any notice from Lender of a violation of the Loan to Value Covenant, Borrower shall, within ten Business days, either (i) make a Prepayment which, if made prior to the date of measurement of Borrower's Loan to Value Ratio, would have caused Borrower to be in compliance with the Loan to Value Covenant; or (ii) deliver notice to Lender that Borrower will, at its own expense, obtain a new Conforming Appraisal of all or a portion of Mortgaged Land (a "**Reappraisal Notice**"); or (iii) deliver notice to Lender that Borrower will grant Lender a first lien and security interest in Additional Mortgaged Land with a Market Value sufficient to cause Borrower to be in compliance with Section (an "**Additional Mortgaged Land Notice**").

(d) If Borrower delivers a Reappraisal Notice, Borrower shall, within 90 days after the date of the Reappraisal Notice, obtain and deliver to Lender, a new Conforming Appraisal of the Mortgaged Land (or that portion thereof specified by Borrower in the Reappraisal Notice). Promptly following receipt of such new Conforming Appraisal, Lender shall recalculate the Loan to Value Ratio using the Market Value stated therein (and, if the new Conforming Appraisal does not include all of the Mortgaged Land, previously performed Conforming Appraisals of any such excluded Mortgaged Land), and notify Borrower of the results. If such recalculated Loan to Value Ratio is sufficient to comply with the Loan to Value Covenant, no further action by Borrower is required with respect to the Loan to Value Covenant for the applicable period. However, if such recalculated Loan to Value Ratio is insufficient for such purpose, Borrower shall, within ten Business Days after receipt of notice from Lender of such insufficiency, either (i) make a Prepayment which, if made prior to the date of measurement of such recalculated Loan to Value Ratio, would have caused Borrower to be in compliance with the Loan to Value Covenant; or (ii) deliver an Additional Mortgaged Land Notice.

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(e) If Borrower delivers an Additional Mortgaged Land Notice, Lender's acceptance of the Additional Mortgaged Land as Collateral for the Loan is subject to the following:

- (4) satisfaction of the requirements of Section applicable to Additional Mortgaged Land, no later than 45 days after the date of the Additional Mortgaged Land Notice;
- (5) payment or reimbursement of Lender for all of Lender's Expenses related to the acceptance of the Additional Mortgaged Land Lender's Expenses related to the Collateral Change, including without limitation, any title insurance and recording costs and appraisal fees; and
- (1) such other conditions as may be reasonably required by Lender.

(f) If and when all of the Additional Mortgaged Land Conditions are satisfied, no further action by Borrower is required with respect to the Loan to Value Covenant for the applicable period.

(g) Simultaneously with Borrower's delivery of each and every Reappraisal Notice or Additional Mortgaged Land Notice, Borrower shall pay Lender a non-refundable review fee equal to the greater of (i) 0.15% of the additional Mortgaged Land Market Value required to cause Borrower to be in compliance with the Loan to Value Covenant, or (ii) \$5,000.

(h) Prepayments made under this Section will not be subject to the requirements of Section regarding payment of a Prepayment Premium.

6.02 Books and Records. Subject to the provisions of this Section below, Borrower shall maintain and cause each of its Subsidiaries to maintain proper books of record and account including full, true, and correct entries of all dealings and transactions relating to its and their business and activities, in all material respects in conformity with generally accepted accounting principles ("GAAP"). Notwithstanding this Section to the contrary, no Borrower or Subsidiary of Borrower which is a "disregarded entity" for Federal income tax purposes will be required to maintain separate books of record and account.

6.03 Reporting Requirements. Borrower shall:

- (1) promptly (and no later than 30 days) after requested by Lender, furnish or cause to be furnished to Lender a balance sheet, income statement, and statement of cash flows;
- (2) (A) within 5 Business Days after the filing of FPI's quarterly Form 10-Q, or any other report required under U.S. Securities and Exchange Commission (the "SEC") rules applicable to any Borrower or either Guarantor, provide a written summary regarding any lawsuits, tax claims or other disputes filed or threatened against FPI or any of its Affiliates (collectively, "Litigation Matters") and described in such report, in no less detail than that included therein, (B) within 10 Business Days after the end of each fiscal quarter of Borrower, provide a written summary of any other Litigation Matters in an amount greater than \$1,000,000.00 in existence as of the end of such fiscal quarter, and (C) within 10 Business Days after the end of each fiscal quarter of Borrower, provide copies of publicly-filed dispositive motions and judgments related to Litigation Matters described in the preceding clauses (A) and (B);
- (3) in addition to and not in limitation of the foregoing, endeavor to provide Lender prompt written notice (which may include notice by electronic mail) of any written adversarial demands or claims of third parties against Borrower, Guarantor, or any of their Affiliates (without regard to any threshold amount) received by Borrower, Guarantor or any such Affiliate which on their face (and without any obligation of further inquiry) appear to Borrower to have been delivered directly to Lender; and
- (4) promptly (and no later than 30 days) after requested by Lender, furnish or cause to be furnished to Lender all other books, records, financial statements, tax returns, lists of property and accounts, rent rolls, budgets, forecasts, reports, and other information pertaining to the condition or operations of Borrower.

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If requested by Lender, any report, record, statements, lists, reports and other information required under this Section must be certified to Lender by an Authorized Representative of Borrower as being true, accurate and complete in all material respects.

Notwithstanding the foregoing terms of this Section, with respect to any Borrower financial reporting required under SEC or US Treasury rules applicable to Borrower, such reporting will not be required to be delivered prior to the time required by such SEC rules or US Treasury rules.

6.04 Notice to Lender. Borrower shall notify Lender of the occurrence of any of the following, promptly, but in any event no later than five days after such occurrence: (a) any change in Borrower's name, legal structure, place of business, or chief executive office; (b) obtaining knowledge of the failure by Borrower to comply with the terms and provisions of this agreement; (c) obtaining knowledge of any lawsuit, tax claim or other dispute filed or threatened in writing against Borrower in an amount greater than \$1,000,000.00; (d) any other material dispute between Borrower and any Governmental Authority; and (e) obtaining knowledge of any other Material Adverse Effect known to Borrower as to Borrower or the Real Estate Collateral.

6.05 Maintenance of Assets. Borrower shall maintain and preserve all rights and privileges Borrower now has to the extent necessary to conduct its business; and make any repairs, renewals, or replacements reasonably required to keep the Collateral in good working condition, ordinary wear and tear and condemnation events excepted. Notwithstanding anything herein to the contrary, Borrower may sell or transfer encumbered fixtures or equipment (including those subject to Lender's Lien) provided that, other than in the case of worn, obsolete or unused fixtures and equipment, fixtures and equipment subject to any such sale or transfers are replaced with fixtures or equipment with equivalent or greater value and such replacement fixtures or equipment is and remains free and clear of all Liens not otherwise permitted by Lender; provided that such replacement fixtures or equipment may be subject to a purchase money security interest in favor of the Person financing the acquisition of such fixtures or equipment.

6.06 Existence and Good Standing. Borrower shall preserve and maintain its existence and good standing in the jurisdiction of its formation, and qualify and remain qualified to conduct its business in each jurisdiction in which such qualification is required.

6.07 Change in Business or Organizational Structure.

(a) Borrower shall not (1) engage in any material line of business substantially different from those lines of business conducted by Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto, without Lender's prior consent, such consent not to be unreasonably withheld; (2) form or otherwise acquire any Subsidiary, unless that Subsidiary executes and delivers to Lender a guaranty of all of the Obligations and all other instruments and agreements required by Lender; or (3) merge, dissolve, liquidate, consolidate with or into another Person, or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person or change its name or jurisdiction of organization.

(b) Notwithstanding Section, subject to the provisions of this Section, (1) any Borrower may merge or consolidate with or into any other Borrower, and (2) any Borrower may sell, convey or otherwise dispose of all or substantially all of its assets to any other Borrower.

(c) A merger or consolidation permitted in clause (b)(1) of this Section, will be subject to (1) not less than 30 days' prior written notice to Lender; (2) Lender's receipt of a copy of all documents relating thereto; (3) an endorsement to Lender's Title Policy in a form and in substance satisfactory to Lender; and (4) such other preconditions reasonably required by Lender for the purposes of protecting its interests in such assets as collateral for the Loan.

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(d) A sale, conveyance or other disposition of assets by a Borrower permitted in clause (b)(2) of this Section, will be subject to (1) not less than 30 days' prior written notice to Lender; (2) a copy of the conveyance documents; (3) the acquiring Borrower's assumption or acknowledgement of the terms of the Security Instrument encumbering such assets; (4) an endorsement to Lender's Title Policy in a form and in substance satisfactory to Lender; and (5) such other preconditions reasonably required by Lender for purposes of protecting its interests in such assets as collateral for the Loan.

6.08 Contributions, Dividends. Borrower also acknowledges that Borrower's future financial condition constitutes a significant inducement to Lender to make the Loan, and Borrower agrees that if there is an Event of Default or any event (including the nonpayment of any amount due under the Loan Documents) which, with the giving of notice or the passage of time would be an Event of Default, or if Borrower reasonably expects that it will not be able to make any scheduled payment of principal or interest due under the Loan Documents during the following 12 months then Borrower shall not make or declare (1) any direct or indirect contribution, dividend (whether in cash, stock or any other form) loan or other cash advance, or redeem any interest in Borrower; or (2) any direct or indirect contribution, dividend (cash, stock or other forms), loan or other cash advance to any Subsidiary or Affiliate. For the avoidance of doubt, nothing in the agreement shall prevent or prohibit either Guarantor from making dividend distributions in order to maintain "REIT" status.

6.09 Compliance with Laws. Borrower shall comply in all material respects with all Applicable Laws and pay before delinquency, all taxes, assessments, and governmental charges imposed upon Borrower or its property, except for any such amounts that are being contested in good faith by appropriate proceedings and for which Adequate Reserves have been set aside for the payment thereof.

6.10 Insurance.

(a) If required by Lender, Borrower shall maintain, or cause to be maintained with respect to the Collateral: (1) commercial general liability insurance covering claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Real Estate Collateral, which shall be issued and maintained on an "occurrence" basis, (2) all risk property damage insurance policies covering tangible property comprising the Collateral for the full insurable value on a replacement cost basis, and (3) such additional insurance as reasonably required by Lender from time to time.

(b) Borrower shall maintain, or cause to be maintained, workers' compensation insurance in minimum form and substance as required by Applicable Law from time to time ("**Worker's Compensation Insurance**").

(c) During the period of any construction or renovation of any improvement to the Real Estate Collateral with a cost to construct of greater than \$1,000,000, Borrower shall maintain, or cause to be maintained builder's risk insurance, for any buildings under construction, renovation or alteration including, without limitation, for demolition and increased cost of construction or renovation, in an amount approved by Lender including an occupancy endorsement, and shall also maintain Worker's Compensation Insurance in accordance with Section .

(d) All policies of insurance required under the Loan Documents shall be maintained at the sole cost and expense of Borrower, must be issued by companies reasonably approved by Lender, and must be reasonably acceptable to Lender as to an AM Best rating for insurer financial size and strength, amounts, forms, risk coverages, deductibles, expiration dates, and cancellation provisions. In addition, each required policy must contain such endorsements as Lender may require and must provide that all proceeds be payable to Lender to the extent of its interest. All co-insurance provisions must be waived. All coverages under Section (1) shall name the Lender as an additional insured, and all coverages under Section (2) shall contain a standard Mortgagee Clause and Lender Loss Payee Clause, as appropriate, with respect to the Collateral. If any insurance described above is required, self-insurance with respect to such coverages is prohibited. Lender confirms that the policies of

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insurance maintained by Borrower as of the Closing Date are acceptable to Lender and satisfy the requirements of this Section .

(e) Upon Lender's request, Borrower shall deliver, in form and substance reasonably acceptable to Lender, evidence of insurance required hereunder. Borrower shall exercise commercially reasonable efforts to cause each policy shall provide that it shall not be cancelled or modified without 30 days prior written notice to Lender. At least 30 days prior to the expiration of any policy required hereunder, Borrower shall furnish Lender appropriate proof of issuance of a policy continuing in force the insurance covered by the policy so expiring.

(f) If and whenever Lender reasonably believes that any required insurance is not in effect, Lender may (but will not be obligated to) procure that insurance at Borrower's expense. Borrower shall reimburse Lender, on demand, for all premiums on that insurance actually paid by Lender.

6.11 Arms' Length Dealing with respect to the Collateral. Borrower shall not enter into any transaction of any kind with respect to the Collateral with any Subsidiary or Affiliate, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Borrower as would be obtainable by any Borrower at the time in a comparable arm's length transaction with a Person other than a Subsidiary or Affiliate.

6.12 Business Loan. Borrower shall use the proceeds of the Loan for agricultural, commercial, or business purposes, and shall not use the Loan: (1) for personal, family or household purposes; or (2) to purchase or carry "margin stock" (as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System) or to invest in other Persons for the purpose of carrying any such "margin stock" or to reduce or retire any indebtedness incurred for that purpose.

6.13 ERISA. Borrower will not be reconstituted as a Plan or as an entity whose assets constitute "plan assets."

6.14 Payment of Lender Fees and Expenses. Borrower shall upon demand, pay to Lender or, at Lender's option, shall reimburse Lender, for all reasonable and actual reasonably documented out of pocket fees and expenses, including Professional Fees, incurred by Lender in connection with the Loan (whether incurred prior to, on, or after the Closing Date), including all Closing Expenses and all reasonable and actual out of pocket fees and expenses incurred in connection with (1) the preparation, negotiation, execution and administration of any consents, amendments, waivers or other modifications to the Loan Documents and any other documents or matters requested by Borrower; (2) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower, this agreement, the other Loan Documents, or the Collateral; (3) conducting any inspections permitted under the Loan Documents; (4) enforcing any obligations of or collecting any payments due from Borrower under this agreement, the other Loan Documents or with respect to the Collateral; (5) any refinancing or restructuring of the credit arrangements provided under this agreement; and (6) any Insolvency Proceeding involving a claim under the Loan Documents (individually and collectively, "Lender Expenses").

6.15 Further Assurances. Borrower shall promptly execute and deliver, or cause to be executed and delivered, all such other documents, agreements and instruments reasonably requested by Lender to (1) further evidence and more fully describe the Collateral; (2) correct any defects in the execution of the Loan Documents or omissions or errors in the Loan Documents; (3) perfect, protect or preserve any Liens created under any of the Loan Documents; (4) make any recordings, file any notices, or obtain any consents, as may be necessary or appropriate in connection therewith; (5) confirm the amount due on the Loan, the terms of repayment of the Loan, the date to which interest has been paid, whether any offsets or defenses exist against the Loan and, if any are alleged to exist, the nature thereof in detail, and such other matters as Lender reasonably may request; and (6) otherwise carry out the intent of the Loan Documents. Upon receipt of an affidavit of an officer of Lender as to the

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loss, theft, destruction or mutilation of the Note or any other document(s) which is not of public record and, in the case of any mutilation, upon surrender and cancellation of the Note or other document(s), Borrower shall promptly issue, in lieu thereof, a replacement note or other document(s) of like tenor.

6.16 Options or Rights of First Refusal to Lease or Purchase. Except as otherwise agreed by Lender in writing (including in any other Loan Document and notwithstanding the last sentence of Section), Borrower shall not enter into any agreement amending or modifying any option or right of first refusal to lease or purchase the Mortgage Land in favor of third parties, unless such agreement has been previously approved by Lender in writing.

ARTICLE 7 - EVENTS OF DEFAULT AND REMEDIES

7.01 Events of Default. The following each will be an event of default under this agreement (an "Event of Default"):

- (1) any payment required under the Loan Documents is not made within five days after the date when due;
- (2) the Financial Information or any representation in the Loan Documents is materially incorrect or misleading, and Borrower does not within 15 days after notice from Lender to Borrower, cause a change in any fact or circumstance as required to make such representation materially correct;
- (3) Borrower does not comply with the requirements of Section , or (Loan to Value);
- (4) Borrower does not: (A) pay (or cause payment of) all taxes assessed on the Collateral prior to the date when delinquent, except for any such amounts that are being contested in good faith by appropriate proceedings and for which Adequate Reserves have been set aside for the payment thereof; (B) maintain (or cause to be maintained) all policies of insurance required under the Loan Documents and pay (or cause payment of) all premiums for that insurance on or prior to the date when due; and (C) maintain the Collateral (or cause the Collateral to be maintained) in good condition and repair, ordinary wear and tear excepted, all in accordance with the terms and conditions of the Loan Documents;
- (5) the filing of any federal tax lien against Borrower, any member or general partner, as applicable, of Borrower, or against the Collateral and same is not discharged of record within 30 days after the date filed;
- (6) any Change in Control; or if FP OP pledges or grants a security interest in its membership or any other interest in any Borrower to any Person;
- (7) an Insolvency Proceeding is initiated by Borrower; or any Insolvency Proceeding initiated against Borrower by another Person is not dismissed within 60 days after filing;
- (8) Borrower or any Subsidiary are or become subject to a Judgment or Judgments for the payment of money in an aggregate amount (as to all such Judgments or orders) exceeding \$1,000,000.00, which are not covered by independent third-party insurance as to which the insurer does not dispute coverage and (A) enforcement proceedings are commenced by any creditor upon any such Judgment, or (B) there is a period of sixty consecutive days during which a stay of enforcement of any such Judgment, by reason of a pending appeal or otherwise, is not in effect;
- (9) any "Event of Default" as that term is defined in the Loan Documents other than this agreement;
- (10) any failure to pay when due (after giving effect to any applicable cure or grace period) a total of more than \$5,000,000 in the aggregate owed by Borrower, FP OP or FP Inc to Lender or any other institutional lender in connection with real estate or corporate debt;
- (11) for more than ten days after notice from Lender, Borrower is in default under any term, covenant or condition of this agreement not previously described in this Section , which can be cured by the payment of a sum of money; and

Farmland Partners Inc.
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(12) for 30 days after notice from Lender, Borrower is in default under any term, covenant or condition of this agreement not previously described in this Section ; provided that if : (A) it is reasonably certain that the default cannot be cured by Borrower within that 30 day period; and (B) Borrower has commenced curing that default within that 30 day period and thereafter diligently and expeditiously proceeds to cure that default, then that 30 day period will be extended for so long as reasonably required by Borrower in the exercise of due diligence to cure that default, up to a maximum of 90 days after the notice to Borrower of the Event of Default.

7.02 Leases. Notwithstanding any provision to the contrary in the Security Instrument or other Loan Documents, Borrower may enter into tenant leases of the Mortgaged Land to unrelated third parties providing for rental and other terms and conditions reasonably determined by Borrower to be consistent with the then current market for such property; provided that all such leases shall be subordinate to the lien and security interest in such Mortgaged Land created by the Security Instrument. For the avoidance of doubt such leases will be deemed to not be a "Prohibited Transfer".

7.03 Remedies. Upon the occurrence of and during the continuance of an Event of Default, Lender may: (1) declare all Obligations due and payable, without presentment, notice of intent to accelerate, notice of acceleration, demand, protest or further notice of any kind, all of which are expressly waived by Borrower; and (2) exercise all other rights and remedies afforded to Lender under the Loan Documents or Applicable Law or in equity; except that upon an actual or deemed entry of an order for relief with respect to Borrower or any of its Subsidiaries in any Insolvency Proceeding, all Obligations will automatically become due and payable, without presentment, demand, protest or any notice of any kind, all of which are expressly waived by Borrower. All remedies shall be cumulative to the fullest extent permitted by law.

ARTICLE 8- NOTICES

All requests, notices, approvals, consents, and other communications between the Parties (individually and collectively, "**Notices**") under the terms and conditions of the Loan Documents must be in writing and mailed or delivered to the address specified in that Loan Document, or to the address designated by any Party in a notice to the other Parties; and in the case of any other Person, to the address designated by that Person in a notice to Borrower and Lender. All Notices will be deemed to be given or made upon the earlier to occur of: (1) actual receipt by the intended recipient; or (2) (A) if delivered by hand or by courier, upon delivery; or (B) if delivered by mail, four Business Days after deposit in the U.S. mail, properly addressed, postage prepaid; except that notices and other communications to Lender will not be effective until actually received by Lender. Borrower requests that Lender accept, and Lender may, at its option, accept and is entitled to rely and act upon any Notices purportedly given by or on behalf of Borrower, even if not made in a manner specified herein (including Notices made verbally, by telephone, telefacsimile, email, or other electronic means of communication), were incomplete or were not preceded or followed by any other form of Notice specified herein, or the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic Notices to and other telephonic communications with Lender may be recorded by Lender, and each Party consents to such recording.

ARTICLE 9 – MISCELLANEOUS

9.01 Optically Imaged Reproductions. Lender may make an optically imaged reproduction of any or all Loan Documents and, at its election, destroy the original or originals. Borrower consents to the destruction of the original or originals and agrees that a copy of the optically imaged reproduction of any Loan Document will be the equivalent of and for all purposes constitute an "original" document. For purposes of this section, "**for all purposes**" includes use of the optically imaged reproduction: (1) to prove the content of the original document at trial, mediation, arbitration or administrative hearing; (2) for any business purpose; (3) for internal or external audits and/or examination by or on behalf of Governmental Authorities; (4) in canceling or transferring any document; and (e) in conjunction with any other transaction evidenced by the original document.

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9.02 Entire Agreement. This agreement and the other Loan Documents, individually and collectively: (1) represent the sum of the understandings and agreements between Lender and Borrower concerning this credit; (2) replace any prior oral or written agreements between Lender and Borrower concerning this credit; and (3) are intended by Lender and Borrower as the final, complete and exclusive statement of the terms agreed to by them. In the event of any conflict between this agreement and any other agreements required by this agreement, this agreement will prevail.

9.03 Joint and Several Obligations. Each Person defined as Borrower: (1) expressly acknowledges that it has benefited and will benefit, directly and indirectly, from the Loan and acknowledges and undertakes, together with the other Borrowers, joint and several liability for the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations; (2) acknowledges that this agreement is the independent and several obligation of each Borrower and may be enforced against each Borrower separately, whether or not enforcement of any right or remedy hereunder has been sought against any other Borrower; and (3) agrees that its liability hereunder and under any other Loan Document is absolute, unconditional, continuing and irrevocable. BORROWER EXPRESSLY WAIVES ANY REQUIREMENT THAT LENDER EXHAUST ANY RIGHT, POWER OR REMEDY AND PROCEED AGAINST THE OTHER BORROWERS UNDER THIS AGREEMENT, OR ANY OTHER LOAN DOCUMENTS, OR AGAINST ANY OTHER PERSON UNDER ANY GUARANTY OF, OR SECURITY FOR, ANY OF THE OBLIGATIONS.

9.04 Successive Actions. To the extent permitted by Applicable Law, separate and successive actions may be brought hereunder to enforce any of the provisions of this agreement and the other Loan Documents. No action hereunder shall prevent a subsequent action, and Borrower hereby waives and covenants not to assert any defense in the nature of splitting of causes of action or merger of judgments.

9.05 Waiver of Right of Contribution. Each Person defined as Borrower agrees that it will have no right of contribution (including, without limitation, any right of contribution under CERCLA) or subrogation against any other Person comprising the Borrower under this agreement unless and until all Obligations have been paid, satisfied, and performed, in full. Each such Person further agrees that, to the extent that the waiver of its rights of subrogation and contribution in this agreement is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation or contribution that Person may have will be junior and subordinate to the rights of Lender against Borrower under this agreement.

9.06 Authority to Bind Borrower. Any Person defined as Borrower is authorized to bind all parties comprising Borrower. Without limitation of the foregoing, Lender may require any request, authorization, or other action by or on behalf of Borrower be by one or more individuals designated in writing by the parties comprising Borrower (a "Designated Person"). Lender may, at any time and without notice, waive any prior requirement that requests, authorizations, or other actions be taken only by a Designated Person.

9.07 Binding Effect; Successors and Assigns. The Loan Documents will inure to the benefit of and be binding upon the parties and their respective successors and assigns.

9.08 Assignment; Participations. Borrower shall not assign its rights or obligations hereunder without Lender's consent. Lender may assign all or any portion of its interest in the Loan or under the Loan Documents, or grant participations therein, to any Person (each, a "Loan Transferee"). Lender may disclose to any actual or potential Loan Transferee any information that Borrower has delivered to Lender in connection with the Loan Documents; and Borrower shall cooperate fully with Lender in providing that information. Without limitation, Borrower shall within ten days after request from Lender, deliver to any Loan Transferee an estoppel certificate in form reasonably requested by Lender, and current or updated Financial Information and information concerning the Collateral.

9.09 Severability. Any provision of any Loan Document which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability without

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invalidating the remaining provisions of that Loan Document or affecting the validity or enforceability of that provision in any other jurisdiction; except that if such provision relates to the payment of any monetary sum, then Lender may, at its option, declare all Obligations immediately due and payable.

9.10 Amendments in Writing. The Loan Documents may not be amended, changed, modified, altered or terminated without the prior written consent of all parties to the respective Loan Document.

9.11 Governing Law. EXCEPT AS EXPRESSLY STATED THEREIN, THE LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES THEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (THE "GOVERNING LAW STATE") WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) THEREOF. NOTWITHSTANDING THE FOREGOING, THE PERFECTION, PRIORITY AND PROCEDURES FOR ENFORCEMENT OF LIENS ON REAL PROPERTY COLLATERAL FOR THE OBLIGATIONS WILL BE GOVERNED BY THE APPLICABLE LAWS OF THE STATE WHERE THAT REAL PROPERTY IS LOCATED. THE PARTIES UNDERSTAND THAT THE LAWS OF THE GOVERNING LAW STATE MAY OR MAY NOT DIFFER FROM THE JURISDICTION WHERE THEY RESIDE OR OTHERWISE ARE LOCATED AND WHERE THE COLLATERAL IS LOCATED. THE PARTIES UNDERSTAND, AGREE AND ACKNOWLEDGE THAT (1) NEGOTIATION, AGREEMENT AND PERFORMANCE OF THE LOAN DOCUMENTS AND THE TRANSACTIONS EVIDENCED BY THE LOAN DOCUMENTS HAVE SIGNIFICANT AND SUBSTANTIAL CONTACTS WITH THE GOVERNING LAW STATE, (2) IT IS CONVENIENT TO BOTH PARTIES TO SELECT THE LAW OF THE GOVERNING LAW STATE TO GOVERN THE LOAN DOCUMENTS AND THE TRANSACTIONS EVIDENCED BY THE LOAN DOCUMENTS, (3) THE TRANSACTIONS EVIDENCED BY THE LOAN DOCUMENTS BEAR A REASONABLE CONNECTION TO THE LAWS OF THE GOVERNING LAW STATE, (4) THE CHOICE OF THE INTERNAL LAWS OF THE GOVERNING LAW STATE WAS MADE FOR GOOD AND VALID REASONS, AND (5) SUCH CHOICE CONSTITUTES GOOD AND VALUABLE CONSIDERATION FOR LENDER TO ENTER INTO THE TRANSACTIONS EVIDENCED BY THIS AGREEMENT AND LENDER HAS ENTERED INTO SUCH TRANSACTION IN RELIANCE ON SUCH CHOICE.

9.12 CONSENT TO JURISDICTION.

(a) BORROWER IRREVOCABLY AGREES THAT, AT THE OPTION OF LENDER, ALL JUDICIAL PROCEEDINGS ARISING OUT OF OR RELATING HERETO OR ANY OTHER LOAN DOCUMENT, OR ANY OF THE OBLIGATIONS, SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH THIS AGREEMENT IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREES THAT AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION TO THE EXTENT NECESSARY OR ADVISABLE IN CONNECTION WITH AN EXERCISE OF REMEDIES BY SUCH PERSON UNDER THE LOAN DOCUMENTS.

(b) EACH BORROWER HEREBY AGREES THAT PROCESS MAY BE SERVED ON IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES PERTAINING TO IT AS SPECIFIED IN . ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE EFFECTIVE AGAINST ANY BORROWER IF GIVEN BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER MEANS OR MAIL WHICH REQUIRES A SIGNED RECEIPT, POSTAGE PREPAID, MAILED AS PROVIDED ABOVE.

9.13 Counterpart Execution. The Loan Documents may be executed in counterparts, each of which will be an original and all of which together are deemed one and the same instrument.

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9.14 Necessary Action. Lender is authorized to execute for itself (but not for Borrower) any other documents or take any other actions necessary to effectuate the Loan Documents and the consummation of the transactions contemplated therein.

9.15 Credit Report. Lender is authorized to order a credit report and verify all other credit information, including past and present loans and standard references from time to time to evaluate the creditworthiness of Borrower. Without limitation, a copy of the consent for release of information, general authorization or similar document on file with Lender will authorize third Persons to provide the information requested from time to time.

9.16 No Construction Against Drafter. Each Party has participated in negotiating and drafting this agreement, so if an ambiguity or a question of intent or interpretation arises, this agreement is to be construed as if the parties had drafted it jointly, as opposed to being construed against a Party because it was responsible for drafting one or more provisions of this agreement.

9.17 GENERAL INDEMNIFICATION. BORROWER SHALL DEFEND, INDEMNIFY AND HOLD LENDER PARTIES HARMLESS AGAINST ANY AND ALL LOSSES OF ANY KIND OR NATURE WHATSOEVER THAT MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE LENDER PARTIES: (1) AS A RESULT OF ITS ACTS OR OMISSIONS WHICH RESULT FROM COMMUNICATIONS GIVEN OR PURPORTED TO BE GIVEN, BY BORROWER OR ANY DESIGNATED PERSON, WHICH ARE INTERRUPTED, WHICH ARE MISUNDERSTOOD, OR WHICH ARE IN FACT FROM UNAUTHORIZED PERSONS; (2) ARISING OUT OF OR RESULTING FROM THE VIOLATION BY BORROWER OF ANY ENVIRONMENTAL LAW; (3) RESULTING FROM THE RELIANCE BY LENDER ON EACH NOTICE PURPORTEDLY GIVEN BY OR ON BEHALF OF BORROWER; AND (4) ARISING OUT OF CLAIMS ASSERTED AGAINST THE LENDER PARTIES AS A RESULT OF LENDER BEING PARTY TO THIS AGREEMENT OR THE TRANSACTIONS CONSUMMATED PURSUANT TO THIS AGREEMENT; EXCEPT THAT BORROWER SHALL HAVE NO OBLIGATION TO AN INDEMNIFIED PERSON UNDER THIS SECTION (INCLUDING ANY LENDER PARTY) WITH RESPECT TO LOSSES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THAT INDEMNIFIED PERSON AS DETERMINED BY A COURT OF COMPETENT JURISDICTION. IF AND TO THE EXTENT THAT ANY INDEMNITY UNDER THE LOAN DOCUMENTS IN FAVOR OF LENDER PARTIES IS UNENFORCEABLE FOR ANY REASON, BORROWER SHALL MAKE THE MAXIMUM CONTRIBUTION TO THE PAYMENT AND SATISFACTION THEREOF WHICH IS PERMISSIBLE UNDER APPLICABLE LAW. ALL INDEMNITIES UNDER THE LOAN DOCUMENTS IN FAVOR OF INDEMNIFIED PARTIES SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

9.18 WAIVER OF TRIAL BY JURY. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THE LOAN OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR

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AGREEMENTS RELATING TO THE LOAN MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9.19 Office of Foreign Assets Control; Patriot Act. Without limiting the provisions of any other provision hereof above, the Borrower shall, and the Borrower shall cause each of its Subsidiaries to: (1) ensure that no Person who owns a controlling interest in or otherwise controls such Person is listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders; (2) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto; and (3) comply with all applicable Bank Secrecy Act laws and regulations, as amended. As required by federal law and Lender's policies and practices, Lender may need to obtain, verify and record certain Borrower identification information and documentation in connection with opening or maintaining accounts, or establishing or continuing to provide services.

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Farmland Partners Inc.
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[SIGNATURE PAGE TO LOAN AGREEMENT]

The parties have executed this agreement effective as of the day and year first written above.

BORROWER

Address for notices:

4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Financial Officer

FPI CAROLINAS LLC, a Delaware limited liability company

By: **FARMLAND PARTNERS OPERATING PARTNERSHIP, LP**, a
Delaware limited partnership, as Member

By: **FARMLAND PARTNERS OP GP, LLC**, a Delaware limited
liability company, as General Partner

By: **FARMLAND PARTNERS INC.**, a Maryland
corporation, as Member

By: /s/ LUCA FABBRI
LUCA FABBRI
Chief Financial Officer

COTTONWOOD VALLEY LAND, LLC, a Nebraska limited liability
company

Address for notices:
4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Financial Officer

By: **FARMLAND PARTNERS OPERATING PARTNERSHIP, LP**, a
Delaware limited partnership, as Member

By: **FARMLAND PARTNERS OP GP, LLC**, a Delaware limited
liability company, as General Partner

By: **FARMLAND PARTNERS INC.**, a Maryland
corporation, as Member

By: /s/ LUCA FABBRI
LUCA FABBRI
Chief Financial Officer

[SIGNATURE PAGE TO LOAN AGREEMENT]

Farmland Partners Inc.
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Address for notices:

4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Financial Officer

FPI COLORADO LLC, a Delaware limited liability company

By: FARMLAND PARTNERS OPERATING PARTNERSHIP, LP, a
Delaware limited partnership, as Member

By: FARMLAND PARTNERS OP GP, LLC, a Delaware limited
liability company, as General Partner

By: FARMLAND PARTNERS INC., a Maryland
corporation, as Member

By: /s/ LUCA FABBRI
LUCA FABBRI
Chief Financial Officer

Address for notices:

4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Financial Officer

FPI PROPERTIES LLC, a Delaware limited liability company

By: FARMLAND PARTNERS OPERATING PARTNERSHIP, LP, a
Delaware limited partnership, as Member

By: FARMLAND PARTNERS OP GP, LLC, a Delaware limited
liability company, as General Partner

By: FARMLAND PARTNERS INC., a Maryland
corporation, as Member

By: /s/ LUCA FABBRI
LUCA FABBRI
Chief Financial Officer

[SIGNATURE PAGE TO LOAN AGREEMENT]

Farmland Partners Inc.
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Address for notices:

4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Financial Officer

PH FARMS LLC, an Illinois limited liability company

By: FARMLAND PARTNERS OPERATING PARTNERSHIP, LP, a
Delaware limited partnership, as Member

By: FARMLAND PARTNERS OP GP, LLC, a Delaware limited
liability company, as General Partner

By: FARMLAND PARTNERS INC., a Maryland
corporation, as Member

By: /s/ LUCA FABBRI
LUCA FABBRI
Chief Financial Officer

Address for notices:

4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Financial Officer

FPI IRONWOOD LLC, a Delaware limited liability company

By: FARMLAND PARTNERS OPERATING PARTNERSHIP, LP, a
Delaware limited partnership, as Member

By: FARMLAND PARTNERS OP GP, LLC, a Delaware limited
liability company, as General Partner

By: FARMLAND PARTNERS INC., a Maryland
corporation, as Member

By: /s/ LUCA FABBRI
LUCA FABBRI
Chief Financial Officer

[SIGNATURE PAGE TO LOAN AGREEMENT]

Farmland Partners Inc.
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[SIGNATURE PAGE TO LOAN AGREEMENT]

LENDER

Address for notices:

METROPOLITAN LIFE INSURANCE COMPANY
c/o MetLife Investment Management, LLC
10801 Mastin Blvd., Ste 700
Overland Park, KS 66210
Attn: LMG Director

with a copy to:

METROPOLITAN LIFE INSURANCE COMPANY
c/o MetLife Investment Management, LLC
10801 Mastin Blvd., Ste 700
Overland Park, KS 66210

Attn: Director, CRO

with a copy to:

METROPOLITAN LIFE INSURANCE COMPANY
c/o MetLife Investment Management, LLC
6750 Poplar Ave., Ste 109
Germantown, TN 38138

Attn: Director, SRO

with an additional copy to:

METROPOLITAN LIFE INSURANCE COMPANY
c/o MetLife Investment Management, LLC
10801 Mastin Blvd, Ste. 700
Overland Park, KS 66210

Attn: Law Department

METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation

By: METLIFE INVESTMENT MANAGEMENT, LLC, in its capacity as
investment manager

By: _____ (SEAL)

Name:

Authorized Signatory and Director

[SIGNATURE PAGE TO LOAN AGREEMENT]

Farmland Partners Inc.
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APPENDIX A
to Loan Agreement

DEFINED TERMS AND RULES OF INTERPRETATION

1. Defined Terms.

"Adequate Reserves" means reserves based on good faith estimates approved by Lender which have been set aside for the payment thereof, and which, at the option of Lender, are deposited in an account established by Borrower at a bank or other financial institution acceptable to Lender, subject to an account control agreement acceptable to Lender.

"Adjust" means to increase or decrease; **"Adjusted"** means increased or decreased; and **"Adjustment"** means an increase or a decrease.

"Affiliate" of a Person other than an individual means another Person that directly, or indirectly through one or more intermediaries, controls or is Controlled by or is under common Control with the Person specified.

"Applicable Law" means at any time, all then existing laws, orders, ordinances, rules and regulations of or by a Governmental Authority; except that in determining the Maximum Rate, Applicable Law means those laws, orders, ordinances, rules and regulations in effect as of the date hereof or if there is a change in Applicable Law which (a) permits Lender to charge interest on amounts which Lender would not otherwise be permitted to charge interest, or (b) increases the permissible rate of interest, then the new Applicable Law as of its effective date.

"Authorized Representative" means, (a) for any Person that is an individual, that individual, and (b) for any other Person, including Borrower, an authorized Executive Officer, member, manager, trustee, general partner or agent of such Person whose responsibilities with such Person requires that he/she has knowledge relating to the subject matter of the applicable representation, certification or affidavit.

"Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the Applicable Laws of the State of Kansas, or are in fact closed in the State of Kansas.

"Change in Control" means (1) the transfer of greater than 25% of the membership interests in FP OP or any Borrower; (2) the acquisition of greater than 25% of the shares of FPI by any Person owning less than such percentage of shares of FPI as of the Closing Date.

"Closing" means the closing of the transaction contemplated by this agreement in accordance with the Escrow Instructions.

"Closing Date" means the date of the Closing.

"Closing Expenses" means Lender's out of pocket fees and expenses, including Professional Fees, incurred in connection with the underwriting of the Loan or the Closing.

"Collateral" means the real and personal property encumbered by the Liens created under the Collateral Documents.

"Conforming Appraisal" means an appraisal of market value (i) performed by an appraiser from Lender's approved list of appraisers or otherwise approved by Lender, (ii) complying with then current regulatory requirements applicable to Lender, (iii) conforming with Lender's appraisal requirements for real and personal property substantially similar to the appraised property; and (iv) otherwise acceptable to Lender, in its reasonable discretion.

"Contract Rate" has the meaning set forth in Section (e).

"Control" of a Person other than an individual means the power to direct the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Converted Treasury Yield" means the yield available, or if there is more than one yield available, the average yields of United States Treasury non-callable bonds and notes having a maturity date closest to (before, on, or after) the applicable Rate Adjustment Date, if any, or the Maturity Date (whichever date is next following the prepayment), as reported in the *Wall Street Journal* or similar publication on the 5th Business Day preceding the date Prepayment will be made (as calculated by Lender in its reasonable judgment), converted to an annualized yield which reflects the frequency of the interest payments made during a calendar year as calculated by Lender.

"Costs" shall mean all liabilities, losses, costs, damages (including consequential damages), reasonable expenses, claims, and Professional Fees of any kind or of any nature whatsoever. For the purposes of this definition, such losses, costs and damages shall include, without limitation, remedial, removal, response, abatement, cleanup, legal, investigative and monitoring costs and related costs, expenses, losses, damages, penalties, fines, obligations, defenses, judgments, suits, proceedings and disbursements.

"Debt Service Coverage Ratio" means

"Drafting Conventions" means the rules on interpretation specified in Section 2 of this Appendix A.

"Environmental Indemnity Agreement" means the Unsecured Environmental Indemnity Agreement among Borrower, Guarantor and Lender dated as of the date of this agreement.

"Environmental Law" means all requirements of environmental or ecological laws or regulations or controls related to the Mortgaged Land, including all requirements imposed by any law, rule, order, or regulations of any federal, state, or local executive, legislative, judicial, regulatory, or administrative agency, board, or authority, or any private agreement (such as covenants, conditions and restrictions), which relate to (a) noise; (b) pollution or protection of the air, surface water, ground water, drinking water, soil or soil vapor; (c) solid, gaseous, or liquid waste generation, handling, collection, treatment, management, storage, disposal, or transportation; (d) exposure to Hazardous Materials; (e) regulation of the manufacture, processing, distribution and commerce, use, or storage of Hazardous Materials; (f) injection, withdrawal, generation, handling, collection, treatment, management, storage, disposal, or transportation of process water, flowback water or fluids, produced water, wastewater, groundwater, drinking water, surface water or stormwater; or (g) the exploration, mining, extraction, or processing of coal, oil, gas, or other minerals.

"Escrow Agent" means the Title Underwriter or other person appointed by Lender for purposes of the escrow closing of the Loan.

"Escrow Instructions" means Lender's written instructions to the Escrow Agent regarding the conditions precedent to the Closing.

"Executive Officer" means, as to any Person, the president, chief executive or operating officer, vice president or secretary of such Person.

"Foreclosure Transfer" means with respect to any Mortgaged Land, the transfer of title to that Mortgaged Land pursuant to judicial decree, the power of sale or other judicial or non-judicial action or proceeding to foreclose Lender's rights in the Mortgaged Land, or by deed in lieu of such foreclosure.

"Funding Date" means the date all or any portion of the proceeds of the Loan were delivered to the Escrow Agent, without regard to when the Borrower actually receives the proceeds.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Materials" means:

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(a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. § 9601 *et seq.*) ("CERCLA"), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499 100 Stat. 1613) ("SARA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*) ("RCRA"), and the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*, and those substances included in the definitions of "hazardous air pollutant" under the federal Clean Air Act (42 U.S.C. Section 701, *et seq.*), or "extremely hazardous substance" or "toxic chemical" under the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 7401, *et seq.*), or "extremely hazardous substance" or "toxic chemical" under the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 1101, *et seq.*), and in the regulations promulgated pursuant to said laws, all as amended;

(b) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(c) any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 *et seq.* (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (v) designated as "pollutant" pursuant to Section 502(6) of the Clean Water Act (33 U.S.C. § 1362(6)); (vi) flammable explosives; or (vii) radioactive materials; and

(d) such other substances, materials and wastes which are or become regulated as hazardous or toxic under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations, including mold, radon, radionuclides, heavy metals or other potentially naturally-occurring minerals or substances.

"Indemnified Persons" means Lender, Lender's Subsidiaries and Affiliates, and all officers, directors, agents, employees, servants, attorneys, and representatives of Lender or any Subsidiary or Affiliate of Lender.

"Insolvency Proceeding" means the insolvency of a Person, the appointment of a receiver of any part of Person's property, an assignment by a Person for the benefit of creditors, or the commencement of any proceeding under the Federal Bankruptcy Code or any other bankruptcy or insolvency law, by or against a Person.

"Judgment" means a judgment, order, writ, injunction, decree, or rule of any court, arbitrator, or Governmental Authority.

"Legal Fees" means any and all reasonably documented counsel, attorney, paralegal and law clerk fees and disbursements including, but not limited to fees and disbursements at the pre-trial, trial, appellate, bankruptcy proceeding, discretionary review, or any other level.

"Lender Parties" means Lender, Lender's Subsidiaries and Affiliates, and all officers, directors, agents, employees, servants, attorneys, and representatives of Lender or any Subsidiary or Affiliate of Lender.

"Lender Expenses" has the meaning specified in Section .

"Lender's Title Policy" means, individually and collectively, the lender's policies of title insurance with respect to the lien of the Security Instruments, including any Additional Lender's Title Policy issued pursuant to Section .

"Lien" means any mortgage, deed of trust, deed to secure debt, pledge, assignment, deposit arrangement, privilege, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

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"Loan Documents" means this agreement, the Note, the Collateral Documents, the Guaranty, and all other agreements and instruments required by Lender for purposes of evidencing or securing the Loan provided, however, that the Loan Documents do not include the Unsecured Environmental Indemnity Agreement between Borrower, Guarantor and Lender dated as of the date of this agreement.

"Loan to Value Ratio" means the ratio of (a) the sum of the aggregate unpaid principal balance of the Loan to (b) the Mortgaged Land Market Value.

"Losses" means all claims, suits, liabilities (including, strict liabilities), actions, proceedings, obligations, debts, damages (including foreseeable and unforeseeable consequential damages), losses, costs, expenses (including Professional Fees), fines, penalties, charges, fees, Judgments, awards, amounts paid in settlement of whatever kind or nature.

"Market Value" means with respect to any land the market value of such land and any Improvements and Equipment (defined in the Security Instruments) on which Lender holds a first mortgage lien and security interest, with such value (a) established by a Conforming Appraisal, or (b) determined by Lender using a methodology that (i) is considered by Lender to be reasonable and appropriate under the circumstances, and (ii) takes into account current market conditions and a reasonable exposure period, all as determined by Lender in its sole discretion.

"Material Adverse Effect" means any set of circumstances or events which: (a) in the case of a Person, (i) has or could reasonably be expected to have any material adverse effect as to the validity or enforceability of any Loan Document or any material term or condition therein against the applicable Person; (ii) is or could reasonably be expected to be material and adverse to the financial condition, business assets, or operations of the applicable Person; or (iii) materially impairs or could reasonably be expected to materially impair the ability of the applicable Person to perform the Obligations; or (b) in the case of real or personal property, materially impairs or could reasonably be expected to materially impair the market value of that property or the ability of Borrower or the grantor or trustor under any Collateral Document to continue their present use of that property and any other uses expressly described in the Loan Documents.

"Maturity Date" shall have the meaning specified in Section .

"Maximum Rate" means that rate per annum which, under Applicable Law, may be charged without subjecting Lender to civil or criminal liability, or limiting Lender's rights under the Loan Documents as a result of charging, reserving, taking or receiving a rate of interest in excess of the maximum interest rate which Borrower is permitted to contract or agree to pay; except that the Maximum Rate on any amount upon which Lender is not permitted to charge interest will be zero percent.

"Mortgaged Land" means the *"Land"* as defined in the Security Instrument.

"Obligations" means all indebtedness, liabilities and obligations of Borrower to Lender arising pursuant to any of the Loan Documents, whether now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several.

"Original Payment Dates" mean the dates on which the Prepaid principal would have been paid if there had been no Prepayment.

"Party" means a named party to this agreement or another Loan Document, as the context requires.

"Person" means an individual, a corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or other business entity, or a government or any agency or political subdivision thereof.

"Prepaid" means paid by means of a Prepayment.

"Prepay" means to make a Prepayment.

"Prepayment" means a payment of all or a portion of the unpaid principal balance of the Loan prior to the date when due, whether voluntary, by reason of acceleration, or otherwise.

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"Professional Fees" means: (a) Legal Fees; and (b) all other reasonably documented fees and disbursements of environmental engineers and other third party consultants or professionals associated with the enforcement of Lender's rights and remedies under this agreement.

"Prohibited Transfer" means any sale, contract to sell, conveyance, encumbrance, pledge, mortgage, lease, or other event or circumstance constituting a "Prohibited Transfer" as defined in the Security Instrument.

"Regular Payment Date" shall have the meaning specified in Section .

"Real Estate Collateral" means the Mortgaged Land and all other Collateral which is real property, as opposed to personal property, including any and all improvements located on the Mortgaged Land and all easements or other rights or interests benefiting the Mortgaged Land.

"Release" means any discharging, disposing, emitting, leaking, pumping, pouring, emptying, injecting, escaping, leaching, dumping or spilling (including the abandonment or discarding of barrels, containers and other closed receptacles) into ambient air, surface water, ground water, soil, or soil vapor.

"Security Instrument" means the Security Instruments, and any Additional Mortgaged Land Security Instrument granted to Lender under Section 6.01(e).

"Subsidiary" of a Person which is anything other than an individual means a business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly by that Person. Unless otherwise specified, all references to a "Subsidiary" or to "Subsidiaries" refer to any Subsidiary or Subsidiaries, if any.

"Title Underwriter" means Stewart Title Guaranty Company.

"UCC" means the Uniform Commercial Code in the Governing Law State.

"U.S. Treasury Reinvestment Rate" means the U.S. Treasury Rate which Lender determines could be obtained by reinvesting a specified Prepaid installment payment in U.S. Treasury Securities maturing on the Original Payment Date.

"Yield Maintenance Amount" means an amount to compensate Lender for the present value of the difference between the rate at which the Loan or portion thereof being Prepaid and the U.S. Treasury Reinvestment Rate increased by the Reinvestment Spread; and is equal to the greater of (a) the Yield Maintenance Minimum Amount; or (b) an amount determined by:

(i) calculating the sum of the present values of all unpaid principal and interest payments required under the terms of the Loan being Prepaid through and including the Maturity Date or the next Rate Adjustment Date, if any (whichever is next following the date of Prepayment), including the present value of the outstanding principal balance as of such date (prior to the application of the principal being Prepaid), utilizing a discount rate equal to the Converted Treasury Yield, divided by the frequency of the interest payments made during a calendar year; and

(ii) subtracting from such sum the outstanding principal balance (prior to application of the principal being Prepaid) as of the date the Prepayment will be made; and

(iii) multiplying such remainder by the quotient of (i) the principal being Prepaid, divided by (ii) the outstanding principal balance as of the date of prepayment (prior to application of the principal being Prepaid).

2. Drafting Conventions.

(a) Evidence; Form of Documents. Evidence of the occurrence or non-occurrence of any event, or the existence or non-existence of any circumstance to be delivered to Lender must be in a form

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satisfactory to Lender; and any report or document to be received by Lender must be in form and content satisfactory to Lender.

(b) Lender Discretion. Wherever: (i) Lender exercises any right given to it to approve or disapprove; (ii) any arrangement or term is to be satisfactory to Lender; or (iii) any other decision or determination is to be made by Lender, then except as may be otherwise expressly and specifically provided therein, the decision to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory, and all other decisions and determinations made by Lender, will be in the sole discretion of Lender, without regard for the adequacy of any security for the Obligations;

(c) Other. (i) the words "**include**," "**includes**," and "**including**" are to be read as if they were followed by the phrase "without limitation"; (ii) unless otherwise expressly stated, terms and provisions applicable to two or more Persons apply on an individual, as well as a collective basis; (iii) headings and captions are provided for convenience only and do not affect the meaning of the text which follows; (iv) references to a parcel or tract of real estate means, without limitation, the land described, and any and all improvements located thereupon and all easements or other rights or interests benefiting that land; (v) references to an agreement or instrument means that agreement or instrument and all schedules, exhibits, and appendices thereto, together with all extensions, renewals, modifications, substitutions and amendments thereof, subject to any restrictions thereon in that agreement or instrument or in the Loan Documents; (vi) references to a Party means that Party, together with any successors and assigns of any of that Party's rights and obligations under the Loan Documents, subject to restrictions contained in the Loan Documents on the transfer of those rights and obligations; (vii) whenever by the terms of the Loan Documents, Borrower is prohibited from taking an action or permitting the occurrence of some circumstance, Borrower shall not, directly or indirectly take that action or permit that circumstance, or directly or indirectly permit any Subsidiary to take that action or permit that circumstance; (viii) unless specified otherwise, references to a statute or regulation means that statute or regulation as amended or supplemented from time to time and any corresponding provisions of successor statutes or regulations; (ix) unless otherwise specified, all references to a time of day are references to the time in Overland Park, Kansas; (x) references to "**month**" or "**year**" are references to a calendar month or calendar year, respectively; (xi) if any date specified in this agreement as a date for taking action falls on a day that is not a Business Day, then that action may be taken on the next Business Day; (xii) a pronoun used in referring generally to any member of a class of Persons, or Persons and things, applies to each member of that class, whether of the masculine, feminine, or neuter gender; (xiii) references to "**articles**," "**sections**," "**subsections**," "**paragraphs**," "**exhibits**," and "**schedules**" reference articles, sections, subsections, paragraphs, exhibits, and schedules, respectively, of this agreement unless otherwise specifically provided; (xiv) the words "**hereof**," "**herein**," "**hereunder**," and "**hereby**" refer to this agreement as a whole and not to any particular provision of this agreement; (xv) the definitions in this agreement apply equally to both singular and plural forms of the terms defined; (xvi) for purposes of computing periods of time from a specified date to a later specified date, the word "**from**" means "from and including" and the words "**to**" and "**until**" each mean "to but excluding;" and the term "**upon demand**" means "within three Business Days after written demand by Lender"; and (xvii) an "**Event of Default which exists**", an "**Event of Default which has occurred and is continuing**", "**during the continuance of an Event of Default**", an "**Event of Default which is continuing**" or similar words refers to any Event of Default which has not been waived by Lender in writing or is not then subject to a written agreement by Lender to forebear exercise of its remedies as a result of such Event of Default

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Exhibit 21.1

Entity	State
Farmland Partners Operating Partnership, L.P.	DE
Farmland Partners OP GP, LLC	DE
PH Farms LLC	IL
Cottonwood Valley Land, LLC	NE
FPI Colorado LLC	DE
FPI Burlington Farms LLC	DE
FPI Arkansas LLC	DE
FPI Agribusiness LLC	DE
American Farmland Company, L.P.	DE

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Farmland Partners, Inc. Registration Statements on Form S-3 (No. 333-224385, No. 333-224384, No. 333-203798, and No. 333-203799) and on Form S-8 (No. 333-195268, No. 333-203874, and No. 333-217669) of our report dated March 19, 2021, relating to the December 31, 2020 and 2019 consolidated financial statements and the financial statement schedule, which appears in Farmland Partners, Inc. Annual Report on Form 10-K as of December 31, 2020.

/s/ Plante & Moran PLLC

March 19, 2021
Denver, CO

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul A. Pittman, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2020 of Farmland Partners Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 19, 2021

/s/ PAUL A. PITTMAN

Paul A. Pittman

Executive Chairman and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Luca Fabbri, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2020 of Farmland Partners Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 19, 2021

/s/ LUCA FABBRI

Luca Fabbri

Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Farmland Partners Inc. (the “Company”) on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul A. Pittman, the Executive Chairman and Chief Executive Officer of the Company, and I, Luca Fabbri, the Chief Financial Officer and Treasurer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 19, 2021

/s/ PAUL A. PITTMAN

Paul A. Pittman
Executive Chairman and Chief Executive Officer

Date: March 19, 2021

/s/ LUCA FABBRI

Luca Fabbri
Chief Financial Officer and Treasurer
